

51信用卡

2018年度報告

2018 ANNUAL REPORT

股份代號 : 2051
Stock Code : 2051



51 信用卡有限公司

51 CREDIT CARD INC.

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)



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Corporate Information

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Sun Haitao (*Chairman and Chief Executive Officer*)
Mr. Yang Yuzhi (*Vice-president*)
Mr. Zhao Ke (*Chief Financial Officer*)

NON-EXECUTIVE DIRECTOR

Ms. Zou Yunli

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Ti
Mr. Wang Zhaocheng
Mr. Ye Xiang

COMPANY SECRETARY

Ms. Li Hiu Ling

AUTHORISED REPRESENTATIVES

Mr. Zhao Ke
Ms. Li Hiu Ling

AUDIT COMMITTEE

Mr. Wong Ti (*Chairman*)
Ms. Zou Yunli
Mr. Wang Zhaocheng

REMUNERATION COMMITTEE

Mr. Wang Zhaocheng (*Chairman*)
Mr. Sun Haitao
Mr. Ye Xiang

董事會

執行董事

孫海濤先生 (*主席兼行政總裁*)
楊宇智先生 (*副總裁*)
趙軻先生 (*首席財務官*)

非執行董事

鄒雲麗女士

獨立非執行董事

汪棣先生
王朝成先生
葉翔先生

公司秘書

李曉玲女士

授權代表

趙軻先生
李曉玲女士

審核委員會

汪棣先生 (*主席*)
鄒雲麗女士
王朝成先生

薪酬委員會

王朝成先生 (*主席*)
孫海濤先生
葉翔先生



NOMINATION COMMITTEE

Mr. Sun Haitao (*Chairman*)

Mr. Wang Zhaocheng

Mr. Ye Xiang

AUDITOR AND REPORTING ACCOUNTANTS

PricewaterhouseCoopers
Certified Public Accountants

COMPLIANCE ADVISOR

Guotai Junan Capital Limited

PRINCIPAL BANK

Bank of China Limited
Hangzhou Wenyi Sub-branch
No. 310, Wenyi Road, Xihu District
Hangzhou, Zhejiang, PRC

REGISTERED OFFICE

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

12th-15th Floors, Tower G
Xixigu International Business Center
No. 80 Zixia Road, Xihu District
Hangzhou, Zhejiang
PRC

提名委員會

孫海濤先生 (主席)

王朝成先生

葉翔先生

核數師及申報會計師

羅兵咸永道會計師事務所
執業會計師

合規顧問

國泰君安融資有限公司

主要往來銀行

中國銀行股份有限公司杭州文一支行
中國浙江省杭州市
西湖區文一路310號

註冊辦事處

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

總部及中國主要營業地點

中國
浙江省杭州市
西湖區紫霞路80號
西溪谷國際商務中心
G座12-15樓



Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1006, 10th Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited
P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

HONG KONG SHARE REGISTRAR

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

STOCK CODE

2051

WEBSITE

<https://www.u51.com>

LISTING DATE

13 July 2018

香港主要營業地點

香港
金鐘道89號
力寶中心一座
10樓1006室

股份過戶登記總處

Tricor Services (Cayman Islands) Limited
P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

香港證券登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

2051

網址

<https://www.u51.com>

上市日期

2018年7月13日



Chairman's Statement

主席報告

To Shareholders:

2018 was a year of great strategic importance to us. On 13 July 2018, we successfully listed on the Main Board of the Hong Kong Stock Exchange, which not only enhanced our capital strength, but also will help us better serve tens of millions of Chinese users.

STAY TRUE TO FAITH

Adhering to the belief that "Better Credit, Better Life", we have been committed to providing users with more efficient and convenient financial services in a technological way since the beginning of our business development in May 2012. We have created an ecosystem based on a credit card management platform that is unique to almost every other financial technology company. On the one hand, we can retain users for a long time and create scenarios in which various transactions are conducted naturally; in addition, our extensive users and active platform have attracted many financial institutions, including banks, to work with us to provide users with a wide range of service options.

STRIDE AHEAD TO FUTURE

In 2018, our business has made positive progress in many aspects:

Our user base has grown steadily. As of the end of 2018, the number of registered users of our 51 Credit Card Manager App reached approximately 75.9 million, an increase of 22.4% from the end of the previous year. The user's stickiness to our services continuously improved. In 2018, the amount of credit card and other bill repayment transactions handled by us for our users reached approximately RMB187.2 billion, a year-on-year increase of 71.6%.

We have further increased our investment in science and technology and improved our ability to provide science and technology services to our users and partners. We dig deep into big data and developed the full lifecycle marketing solution "Fermat" (費馬) and the big data and artificial intelligence driven risk management solution "Light Cone" (光錐). Our technological capabilities are gradually turning into technology service revenues. In 2018, we recorded revenue from our credit card technology services of approximately RMB256 million, a growth of 82.1%.

致各位股東：

2018年是對我們具有重大戰略意義的一年。2018年7月13日，我們成功於香港聯交所主板上市。這不僅增強了我們的資本實力，也將有助於我們更好地服務中國千千萬萬的用戶。

不忘初心

秉持「讓有信用的人過得更好」的信念，我們從2012年5月業務發展之初就一直致力於以科技的方式讓用戶享受更加高效、便捷的普惠金融服務。我們創造了一個基於信用卡管理平台的生態系統，這個獨特的業務模式區別於幾乎所有其他金融科技公司。一方面，我們可以長期地留存用戶，自然地創造與他們發生各種交易的場景；此外，我們海量的用戶和活躍的平台還吸引了包括銀行在內的眾多金融機構與我們合作，為用戶提供多元化的服務選擇。

砥礪前行

2018年，我們的業務在諸多方面取得了積極進展：

我們的用戶基礎穩步增長，截至2018年末，51信用卡管家應用註冊用戶數量達到約7,590萬，較上年末增加22.4%。用戶對我們服務的黏性不斷提升，2018年我們為用戶處理的信用卡及其他賬單還款交易金額達到約1,872億元，同比增幅71.6%。

我們進一步加大科技投入，提高了我們為用戶以及合作夥伴提供科技服務的能力。我們深度挖掘大數據，開發了全生命週期營銷解決方案「費馬」和大數據及人工智能驅動風控解決方案「光錐」。我們的科技能力正在逐步轉化為更高的科技服務收入。2018年我們的信用卡科技服務收入錄得82.1%的增速，達到約人民幣2.56億元。



Chairman's Statement

主席報告

In 2018, we also introduced insurance companies and banks to provide our users with internet insurance products and diversified deposit and wealth management products, respectively. These innovative businesses are the starting point for us to dig deeper into user needs.

We saw a couple of challenging fluctuations in the internet credit industry in 2018. As of now, the rectification and consolidation of the industry is still in progress. We believe that the adjustment of the industry will benefit the long-term development of market players with business compliance and economies of scale, including us, and we also believe that in the short term, we should adopt a more stable development strategy focusing on improvement of service quality and user experience.

Thanks to the healthy growth of our businesses, we recorded revenue of approximately RMB2,812 million in 2018, an increase of 24% year on year.

RECOGNITION AND REPUTATION

Our user base and technology capabilities are recognized by many partners. We have reached in-depth cooperation agreements with a number of leading domestic banks for further cooperation in credit card technology services, consumer credit, credit card management, etc., which provides a solid foundation for the development of our technology business.

Our scientific and technological strength also earned us a well-respected external reputation in 2018. For example, we were once again selected as H2 Ventures/KPMG Global Top 100 Financial Technology, and obtained IFTA2018 Financial Technology Achievement Award, Hurun "2018 New Financial 50", and other awards.

2018年，我們還引入保險公司向用戶提供互聯網保險產品，引入銀行向用戶提供多樣化地存款與理財產品。這些創新型業務是我們更深地挖掘用戶需求的起點。

網絡信貸撮合行業在2018年發生了數次充滿挑戰的波動。截至目前，行業的整治與整合仍在進展過程中。我們相信行業的清理將有利於包括我們在內的業務合規、具備規模效應的市場參與者的長期發展，但我們同時認為在短期內應採用更加穩健的發展戰略，注重服務的質量和用戶體驗之提升。

得益於我們各個業務的健康增長，2018年我們的營業收入約為人民幣28.12億元，同比上升24%。

認可與美譽

我們的用戶基礎與科技能力得到眾多合作夥伴的認可，我們已與多家全國領先的銀行達成深度合作協議，持續在信用卡科技服務、消費信貸、信用卡管理等方面進行合作，這為我們的科技業務發展提供了堅實的基礎。

我們的科技實力也讓我們在2018年得到廣受尊敬的外部美譽，例如我們再次入選H2 Ventures/KPMG全球領先金融科技百強，IFTA2018金融科技成就大獎，胡潤「2018新金融50強」等獎項。



Chairman's Statement

主席報告

FUTURE IS PROMISING

China is still in the process of gradual popularization of consumer finance and establishment of a comprehensive credit system. We are convinced that the power of technology will be promising in this transformation. Looking forward to 2019, we will further deepen our cooperation with financial institutions and connect them with our users leveraging technology. We will also continue to broaden our user base, improve user experience, enhance user stickiness, and provide more choices and better services to tens of millions of users.

Finally, on behalf of the Board of Directors, I would like to thank all the shareholders of the Company for their support and express my sincere gratitude to all our staff for their dedication and contribution to the Group.

Chairman, Chief Executive Officer and Executive Director

Sun Haitao

26 March 2019

未來可期

中國仍處於消費金融逐漸普及，信用體系逐漸建立的過程。我們深信，科技的力量將大有可為。展望2019年，我們將繼續加深與金融機構的合作，利用科技連接他們與我們的用戶。我們亦將繼續擴大用戶基礎，提升用戶體驗，加強用戶黏性，為數千萬用戶提供更多選擇及更優質的服務。

最後，我謹代表董事會，感謝全體股東的鼎力支持，亦謹此向全體員工為本集團付出的熱忱投入及貢獻致以誠摯謝意！

主席、行政總裁兼執行董事

孫海濤

2019年3月26日

Management Discussion and Analysis

管理層討論及分析

| | | For the year ended 31 December | | Year on |
|----------------------------|-----------|--------------------------------|-------------|-------------|
| | | 截至12月31日止十二個月 | | year change |
| | | 2018 | 2017 | 同比變動 |
| | | RMB'000 | RMB'000 | |
| | | 人民幣千元 | 人民幣千元 | % |
| Revenue | 收益 | 2,811,994 | 2,268,580 | 24.0% |
| Profit/(loss) for the year | 年度溢利/(虧損) | 2,168,767 | (1,378,471) | N/A 不適用 |

BUSINESS REVIEW

51 Credit Card Inc. (the “Company”) together with its subsidiaries (collectively, the “Group” or “We”) have created a comprehensive ecosystem built upon a widely-used credit card management platform, 51 Credit Card Manager App (“51 Credit Card Manager App”). We are endowed with competitive advantages by owning a highly valuable user base.

業務回顧

51信用卡有限公司(「本公司」)及其附屬公司(統稱「本集團」或「我們」)基於廣泛使用的信用卡管理平台51信用卡管家應用(「51信用卡管家應用」)建立起全面的生態系統。我們擁有高價值的用戶基礎，因而具有競爭優勢。

| | | As of | As of | Increase |
|--|-----------------|-------------|-------------|----------|
| | | 31 December | 31 December | |
| | | 2018 | 2017 | % |
| | | 於2018年 | 於2017年 | |
| | | 12月31日 | 12月31日 | 增加 |
| | | (million) | (million) | % |
| | | (百萬) | (百萬) | |
| Number of registered users of 51 Credit Card Manager App | 51信用卡管家應用註冊用戶數目 | 75.9 | 62.0 | 22.4% |
| Number of credit cards we have managed cumulatively | 我們累計管理的信用卡數目 | 123.0 | 106.3 | 15.7% |

Management Discussion and Analysis

管理層討論及分析



| | | For the year ended 31 December | | Increase |
|---|-----------------------------|--|--------------------------------|----------|
| | | 截至12月31日止年度 | | % |
| | | 2018 | 2017 | 增加 |
| | | | | % |
| Transaction volume of repayment of credit card bills and other liabilities through 51 Credit Card Manager App | 通過51信用卡管家應用償還信用卡賬單及其他負債的交易量 | RMB187.2 billion 人民幣1,872億元 | RMB109.1 billion 人民幣1,091億元 | 71.6% |

As of 31 December 2018, the number of registered users of 51 Credit Card Manager App grew 22.4% to approximately 75.9 million from approximately 62.0 million as of 31 December 2017 and the number of credit cards we had managed accumulatively also grew to approximately 123.0 million from approximately 106.3 million as of 31 December 2017. With the continuous growth of users, we facilitated credit card bills and other liabilities repayment transactions totaling approximately RMB187.2 billion in 2018, representing an increase of 71.6% year on year, notwithstanding the reduction in the repayment incentives during the second half of 2018, which represents high stickiness of our users.

Our unique business model is highly competitive and has great growth potential in attracting credit card holders and converting them into users of various comprehensive services we provide.

Most of our users are credit card holders. They are credit active, accustomed to higher levels of consumption and are willing to pay interest to satisfy their consumption needs. In 2018, the credit card consumption amount by users who continuously manage credit cards on our platform, was observed to sustain an upward trend. We have also accumulated a wealth of valuable data through our credit card management services, which includes credit card transaction records from different banks, consumption history across different users' cases, and repayment data throughout users' life cycles. On this basis, we offer various services to users on the platform, including personal credit management service, credit card technology service, and online credit facilitation and investment service.

截至2018年12月31日止，51信用卡管家應用的註冊用戶數由截至2017年12月31日止的約62.0百萬名增長22.4%至約75.9百萬名及我們累計管理的信用卡數目由截至2017年12月31日止的約106.3百萬張增長至截至2018年12月31日止的約123.0百萬張。伴隨用戶數的持續增長，雖然於2018年下半年縮減了還款獎勵，我們仍於2018年全年處理信用卡賬單及其他負債還款交易總計約人民幣1,872億元，同比增長71.6%，顯示用戶對我們具備高黏性。

我們獨特的業務模式在吸引信用卡持有人並轉化這些用戶享用我們提供的多項綜合服務方面，具有高競爭力及高增長潛力。

我們的用戶大多持有信用卡。他們消費需求較高，信貸活躍，並願意支付利息滿足消費需求。2018年，我們平台上持續管理信用卡用戶的信用卡消費金額保持穩步上升的趨勢。我們亦已透過提供信用卡管理服務積累大量寶貴數據，其中包括來自不同銀行的信用卡交易記錄、不同消費場合的消費記錄以及用戶生命週期內的還款記錄。在此基礎上，我們在平台上向用戶提供多項服務，包括個人信用管理服務、信用卡科技服務以及線上信貸撮合及投資服務。

Management Discussion and Analysis

管理層討論及分析

| | | For the year ended 31 December 截至12月31日止十二個月 | | | | Year on year change 同比變動 |
|-------------------------------------|-----------|---|--------------|-------------|--------------|--------------------------------|
| | | 2018 | | 2017 | | |
| | | RMB'000 | % of revenue | RMB'000 | % of revenue | |
| | | 人民幣千元 | 佔收益的 百分比 | 人民幣千元 | 佔收益的 百分比 | % |
| Revenue | 收益 | 2,811,994 | 100.0% | 2,268,580 | 100.0% | 24.0% |
| Credit facilitation and service fee | 信貸撮合及服務費 | 2,055,531 | 73.1% | 1,627,324 | 71.7% | 26.3% |
| Credit card technology service fee | 信用卡科技服務費 | 255,676 | 9.1% | 140,382 | 6.2% | 82.1% |
| Loan referral service fee | 信貸介紹服務費 | 203,061 | 7.2% | 189,327 | 8.4% | 7.3% |
| Other revenue | 其他收益 | 297,726 | 10.6% | 311,547 | 13.7% | -4.4% |
| Profit/(loss) for the year | 年度溢利/(虧損) | 2,168,767 | | (1,378,471) | | N/A 不適用 |

In 2018, we adopted a more prudent and steady strategy in credit facilitation business as we observed that the personal online consumer credit market had experienced rounds of short-term volatilities, with the issue of various regulatory policies at the end of 2017, the disorderly exit of some non-compliant P2P platforms and wealth management companies in mid-2018, and macroeconomic fluctuations. Therefore, in 2018, we focused more on serving credit card holders and improving our risk management capabilities, while maintaining our borrowers' overall borrowing cost at a stable level in general. Thus, we achieved better performance in credit facilitation business in 2018, which enabled us to generate higher revenue from credit facilitation business. Credit facilitation and service fee increased by 26.3% in 2018, as compared to that of 2017.

2018年我們在信貸撮合業務上總體採取了更加謹慎和穩健的策略，我們制定這樣的策略是基於我們觀察到，隨著2017年底出台的一系列監管政策，2018年中部分不合規的P2P平台和財富管理公司無序地退出市場，以及宏觀經濟波動，個人線上消費信貸市場經歷了數次短期波動。基於此，我們於2018年更加專注於服務信用卡人群，在維持借款人綜合借貸成本總體穩定之前提下，提高風險控制能力，使我們在2018年信貸撮合業務有更好的表現，從而令我們自信貸撮合業務仍能獲取更高的收益，2018年度信貸撮合及服務費較2017年取得了26.3%的增長。

| | | For the year ended 31 December 截至12月31日止年度 | | Increase % |
|--|-----------------------|---|------|---------------|
| | | 2018 | 2017 | 增加 % |
| Number of credit cards issued through us (million) | 透過我們發出的信用卡數目 (百萬張) | 2.7 | 2.1 | 28.6% |
| Number of partner banks in credit card technology service | 信用卡科技服務的合作 銀行家數 | 24 | 19 | 26.3% |



Management Discussion and Analysis

管理層討論及分析

We also have substantial growth in our credit card technology service fee. Benefited from continuous growth in number of users, introduction of new partner banks and improvement of efficiency caused by technology application, approximately 2.7 million credit cards were issued through us in 2018, representing a year on year increase of 28.6%. In addition, our high-value-added technology services provided to regional commercial banks through our co-branding credit cards also increased significantly. Therefore, our credit card technology service fee increased by 82.1% in 2018 as compared with that of 2017.

The loan referral service fee also increased. Our loan referral service fee recorded a year on year increase of 7.3% mainly driven by the steady growth of customer demand, despite some of our cooperation partners also suffered from market volatilities in 2018 to certain extent.

Other revenue decreased mainly due to less interest income generated from a lower balance of loans funded by trusts.

我們的信用卡科技服務費亦出現大幅增長。得益於用戶規模的持續增長、新合作銀行的引入，及科技應用帶來的效率提升，2018年度透過我們發行的信用卡數量達到約2.7百萬張，同比增加28.6%。此外，我們通過聯名信用卡產品向區域商業銀行提供的高附加值科技服務亦大幅增長。綜上影響，2018年度信用卡科技服務費收入較2017年度增長82.1%。

信貸介紹服務費亦有所增加。雖然我們部分合作夥伴也受2018年市場波動的一定影響，用戶需求的持續增長使信貸介紹服務費仍錄得增加7.3%。

其他收益減少主要由於我們通過信託發放的貸款餘額下降，故這些貸款產生的利息收入減少。

Management Discussion and Analysis

管理層討論及分析

Funding sources of our loan products

我們貸款產品的資金來源

| | | For the year ended 31 December 截至12月31日止年度 | | | |
|------------------------|---------|---|--------|---|--------|
| | | 2018 | | 2017 | |
| | | RMB'million (approximate) 人民幣百萬元 (約) | % | RMB'million (approximate) 人民幣百萬元 (約) | % |
| Investors of 51 Renpin | 51人品投資者 | 21,620.1 | 86.4% | 26,096.5 | 77.0% |
| Institutions | 機構 | 3,394.0 | 13.6% | 7,794.1 | 23.0% |
| Total (note) | 總計 (附註) | 25,014.1 | 100.0% | 33,890.6 | 100.0% |

| | | For the six months ended 31 December 2018 截至2018年12月31日止六個月 | | For the six months ended 30 June 2018 截至2018年6月30日止六個月 | |
|------------------------|---------|---|--------|--|--------|
| | | RMB'million (approximate) 人民幣百萬元 (約) | % | RMB'million (approximate) 人民幣百萬元 (約) | % |
| Investors of 51 Renpin | 51人品投資者 | 9,731.8 | 80.9% | 11,888.3 | 91.5% |
| Institutions | 機構 | 2,294.5 | 19.1% | 1,099.5 | 8.5% |
| Total (note) | 總計 (附註) | 12,026.3 | 100.0% | 12,987.8 | 100.0% |

Note: 51 Renpin refers to our online investment products. Institutions include a wholly-owned micro loan subsidiary of the Company.

附註：51人品指我們的線上投資產品。機構包含一間本公司之網絡小貸全資附屬公司。

After the issue of various regulatory policies at the end of 2017, we temporarily suspended cooperation with institutional funding partners and adjusted the related business model, so as to strictly comply with the regulatory requirements. We successfully obtained a financing guarantee licence in April 2018, and progressively resumed cooperation with various funding partners including banks, consumer finance companies and trusts, etc. since the second quarter of 2018. The proportion of funding sources from institutions increased to 19.1% in the second half of 2018 from 8.5% in the first half of 2018, and reached 26.3% in December 2018. At the end of 2018, we obtained a total funding commitment on loan balance of over RMB10 billion from various institutional funding partners. Thus, we expect that the proportion of loan facilitated from institutional funding partners will further increase, which will enable us to further realize the diversification of funding sources of our loan facilitation business. Despite the restrictions on the balance of loans facilitated through 51 Renpin platform imposed by related regulatory authorities since the second half of 2017, funding resources from institutional funding partners will support further development of our credit facilitation business.

隨著2017年底一系列監管政策的出台，為嚴格遵守國家監管的要求，我們一度暫停了同機構融資夥伴的合作，對業務模式進行調整；我們於2018年4月成功取得融資擔保許可證，並自2018年第二季度起逐步恢復與各機構融資夥伴（包括銀行、消費金融公司，以及信託等）的合作，機構資金來源的比例也從2018年上半年的8.5%提升至下半年的19.1%，並於2018年12月達到26.3%。截至2018年底，我們已從各類機構融資夥伴取得合計超過人民幣100億元信貸餘額的資金額度，因此我們預計來自於機構的信貸撮合資金佔比將會進一步提升，並令我們進一步實現信貸撮合業務資金來源的多樣化。儘管自2017年下半年開始，來自於我們「51人品」平台的信貸餘額增長受到相關監管部門的限制，但機構融資夥伴的資金來源將支持我們信貸撮合業務未來的進一步增長。

Management Discussion and Analysis

管理層討論及分析



Key metrics of our loan products

我們貸款產品的主要指標

| | | Loan products targeting credit card holders 針對信用卡持有人的貸款產品 | | Loan products targeting non-credit card holders 針對非信用卡持有人的貸款產品 | |
|---|---------|---|---------------------------------------|--|---------------------------------------|
| For the year ended 31 December 截至12月31日止年度 | | | | | |
| | | 2018 (approximate) (約) | 2017 (approximate) (約) | 2018 (approximate) (約) | 2017 (approximate) (約) |
| Volume of loan facilitated | 貸款撮合量 | RMB20,457.4 million 人民幣20,457.4百萬元 | RMB21,854.7 million 人民幣21,854.7百萬元 | RMB4,556.7 million 人民幣4,556.7百萬元 | RMB12,035.9 million 人民幣12,035.9百萬元 |
| Number of borrowers | 借款人數目 | 0.8 million 0.8百萬 | 0.8 million 0.8百萬 | 0.7 million 0.7百萬 | 1.8 million 1.8百萬 |
| Number of loans facilitated | 信貸撮合筆數 | 1.4 million 1.4百萬 | 1.3 million 1.3百萬 | 0.9 million 0.9百萬 | 4.6 million 4.6百萬 |
| Average loan size | 平均借款規模 | RMB14,900 人民幣14.9千元 | RMB16,700 人民幣16.7千元 | RMB5,000 人民幣5.0千元 | RMB4,000* 人民幣4.0千元* |
| Average term of loan | 貸款的平均期限 | 13.6 months 13.6個月 | 13.5 months 13.5個月 | 10.2 months 10.2個月 | 9.5 months* 9.5個月* |

* Excluding the short-term and micro loan products we had offered from February 2017 to November 2017.

* 不包括我們於2017年2月至2017年11月期間提供的短期及小額貸款產品。

The volume of loans targeting credit card holders we facilitated in 2018 reached approximately RMB20,457.4 million, which remained generally stable compared to last year. Along with the enforcement of stricter regulations in the online consumer credit market and acceleration of industry consolidation, as one of the leading platforms, our market share may benefit. In addition, as at the end of 2018, users who have had credit transactions with us only accounted for a relatively small proportion of our credit card management users, and we expect our credit facilitation business to have a great development potential.

於2018年度，我們共完成了約人民幣20,457.4百萬元針對信用卡持有人的信貸撮合交易，與上年度基本持平。隨著行業監管趨嚴，行業整合加速，作為領先平台之一，我們的市場份額有望受益。此外，截至2018年底，與我們實際發生信貸交易的用戶僅佔我們信用卡管理用戶的較小部分，我們預計信貸撮合業務仍具備廣闊的成長空間。

The decrease of loan volume facilitated targeting non-credit card holders is primarily because (i) we adopted a more conservative strategy over loan products targeting non-credit card holders and limited the loan volume facilitated, as a result of short-term volatilities in the online personal credit market we observed after the new regulations was issued in late 2017; (ii) we ceased to offer short-term and small-sized loan products from December 2017 to comply with the new regulations. We will closely monitor the changes of the market and adjust our operating strategy accordingly.

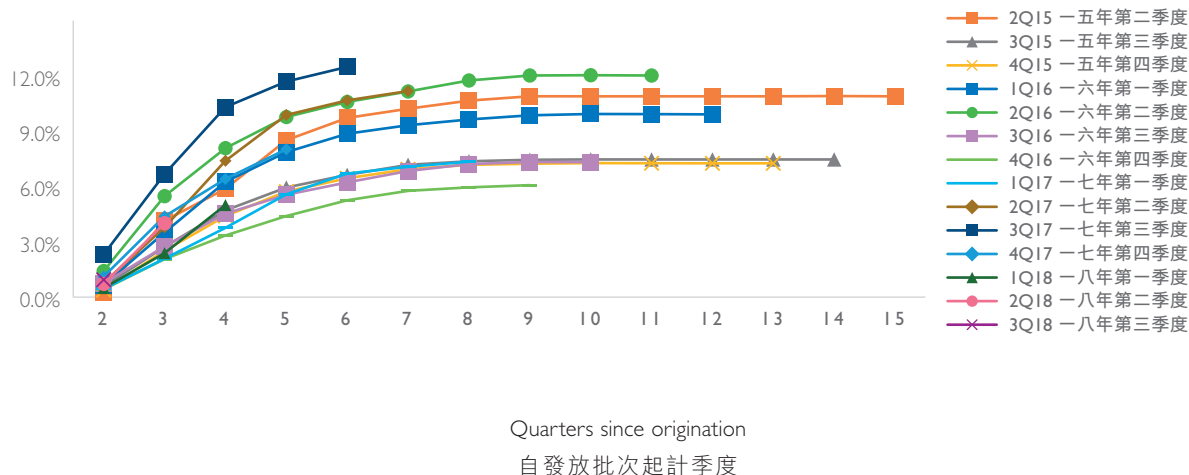
針對非信用卡持卡人的貸款撮合量下降主要是由於，(i)在2017年底新的法規實施後，我們觀察到在線消費信貸市場出現了短期波動，因而採取更加審慎的經營策略，縮減了對非信用卡持卡人的信貸撮合規模；(ii)我們於2017年開始停止運營短期小額信貸以遵守新的法規。我們將緊密關注市場變化並適時調整經營策略。

Management Discussion and Analysis

管理層討論及分析

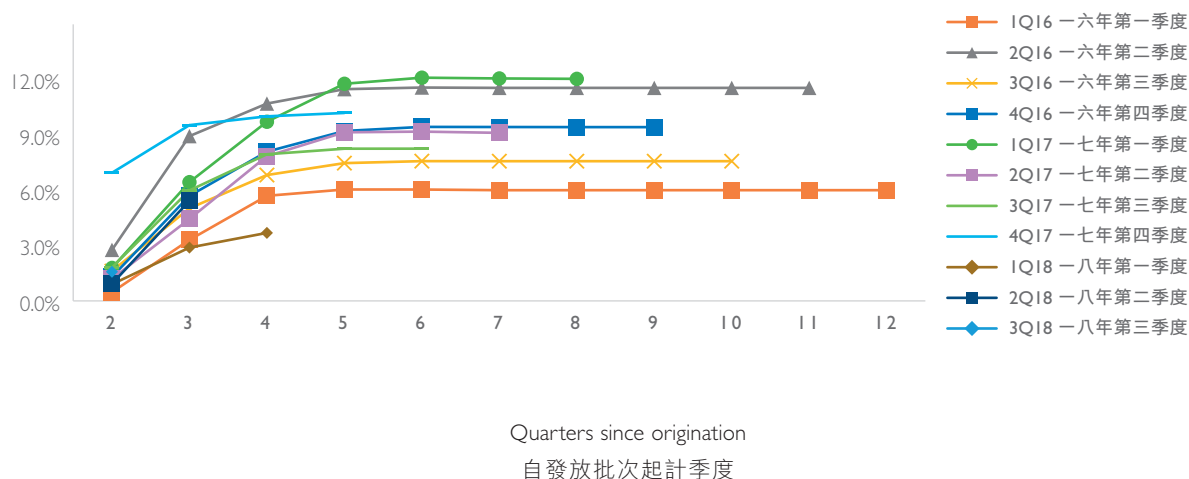
The following chart shows the historical cumulative 90-day plus past due delinquency rates by vintage for loan products targeting credit card holders up to 31 December 2018:

下列圖表顯示按批次劃分為針對信用卡持有人的貸款產品截至2018年12月31日的歷史累計逾期90天以上的違約率：



The following chart shows the historical cumulative 90-day plus past due delinquency rates by vintage for loan products targeting non-credit card holders up to 31 December 2018:

下列圖表顯示按批次劃分為針對非信用卡持有人的貸款產品截至2018年12月31日的歷史累計逾期90天以上的違約率：



The 90-day plus past due delinquency rate of loan facilitated in 2018 generally showed a year on year decline compared to that of 2017.

2018年撮合的貸款相比2017年同期，其累計逾期90天以上的違約率總體有所下降。



Management Discussion and Analysis

管理層討論及分析

As a council member of the National Internet Finance Association of the People's Republic of China (the "China" or "PRC"), our 51 Renpin platform took the lead in completing the data docking and reporting for P2P rectification project in September 2018, so as to meet the regulatory requirements and improve information disclosure transparency. Meanwhile, 51 Renpin platform successfully completed self-examination in accordance with the regulatory requirements, and we have moved smoothly in the compliance filling progress. Additionally, we keep working closely with the regulatory authorities and are confident in meeting future industry compliance requirements.

Pursuant to the Opinions on the Classification and Disposal of Online Lenders and Risk-prevention Measures (《關於做好網貸機構分類處置和風險防範工作的意見》) (Circular 175) issued in December 2018, P2P platforms shall be properly classified. Specifically, except for a few large scale platforms which strictly complied with the existing regulations, other platforms will be forced to exit the market progressively. We are of the view that, the policies orienting supervision by classification, the exit or transformation of non-compliant or weak platforms and increase of elimination, the accelerating industry consolidation will increase our competitive advantage.

Big data technology innovation

In 2018, our technology research and development team independently developed and launched the full lifecycle marketing solution "Fermat" and the big data and artificial intelligence driven risk management solution "Light Cone", which had yielded promising results in terms of reducing the cost of customer acquisition, optimizing the product experience and improving the risk-management level.

During the user acquisition process, Fermat quantifies the channel value and conducts precise real-time control using big data technology, and enables the conversion of users through steps such as channel tracking, intent identification and real-time calculation, following the users' registration; then, by leveraging our exclusive deep-learning algorithms such as the industry-leading short text mining algorithm and the user behavior mining algorithm, it fully analyzes user characteristics and depicts user portrait to achieve intelligent touch and precision marketing, and completes the mining of users' full lifecycle value. Fermat creates high-frequency services and products through capturing and stimulating users' needs, extends service chains and coverage, and ultimately maximizes users' value.

作為中華人民共和國(「中國」)互聯網金融協會的理事單位，我們的51人品平台於2018年9月率先完成了P2P網貸風險專項整治數據報送系統的數據對接和報送工作，滿足監管要求並提升信息披露透明度。同時，51人品平台已按照監管要求順利完成自查，目前合規備案進展總體順利。我們將同監管機構保持密切溝通，並相信我們能夠符合未來的行業監管政策。

2018年12月《關於做好網貸機構分類處置和風險防範工作的意見》(簡稱「175號文」)出台，要求對P2P網貸機構進行分類處置，除部分嚴格合規及具有一定規模的在營機構外，其餘機構都要進行良性退出。我們認為，分類監管的政策導向，不合規及實力較弱的平台需退出或轉型，並加速淘汰，行業集中度有望進一步提升，我們的競爭優勢將進一步凸顯。

大數據科技創新

2018年度，我們的技術研發團隊自主開發並上線了全生命週期營銷解決方案「費馬」和大數據及人工智能驅動風控解決方案「光錐」，在降低獲客成本、優化產品體驗、提高風控水平等方面取得顯著成效。

「費馬」在獲客過程中，通過大數據技術進行渠道價值量化及精準實時調控，在用戶進行註冊後，通過渠道追蹤、意圖識別、實時計算等步驟，幫助完成用戶的首次轉化；其後，仰仗業內領先的短文本挖掘、用戶行為挖掘等我們獨有的深度學習算法，充分挖掘用戶特徵及描繪用戶畫像，進而實現智能觸達和精準營銷，完成用戶全生命週期價值的挖掘。「費馬」通過把握及激發用戶需求，創造高頻服務與產品，延展服務鏈條及覆蓋面，最終實現用戶價值最大化。



Management Discussion and Analysis

管理層討論及分析

The Light Cone risk-management engine has the core capabilities of order-level snapshot time slicing, offline real-time data source unification, unified variable development engine, one-stop model solution and real-time backtracking and simulation decision-making. Compared with the 3-to-6-month model iteration period of traditional financial institutions, the big data solution of the Light Cone can complete the whole process of the relatively complex risk-management model from the development of variables to the launching in 3 to 15 days. On this basis, the risk-management engine can extract the risk information efficiently and accurately by using cutting-edge technologies such as machine learning, non-supervision, knowledge graphs and relational networks, and fully perfect the risk samples with help from various creative application of technologies such as active learning plus semi-supervision learning with a view to reducing the negative impact of inaccurate samples of the traditional risk-control model, and at last package and calibrate through the traditional scorecard model. Thanks to such high-level risk identification capability, the interpretability and stability of the risk-management model are guaranteed and hence the global optimal performance is achieved.

All these technology innovations will enable us to continuously enhance our efficiency in serving users, thus further realizing higher economic benefits.

FINANCIAL REVIEW

Revenue

Our total revenue increased by 24.0% from approximately RMB2,268.6 million for the year ended 31 December 2017 to approximately RMB2,812.0 million for the year ended 31 December 2018.

Credit facilitation and service fee increased by 26.3% from approximately RMB1,627.3 million for the year ended 31 December 2017 to approximately RMB2,055.5 million for the year ended 31 December 2018. We recognize in our financial statements the upfront credit facilitation service fee at the inception of the loan and post credit facilitation service fee over the loan period. The credit facilitation service fee growth is mainly because we adopted a more prudent strategy and focused more on serving credit card customers while maintaining the borrowers' overall borrowing cost at a stable level. Thus, we achieved better credit performance in 2018, allowing us to generate higher revenue from credit facilitation service.

「光錐」風控引擎具備訂單級別快照的時間分片、離線實時數據源統一、統一變量開發引擎、模型一站式解決方案、實時的回溯仿真決策的核心能力；對比傳統金融機構3~6個月的模型迭代週期，光錐的大數據解決方案可在3~15天內即完成較複雜的風控模型從變量開發到上線的全過程；在此基礎之上，運用了機器學習、無監督、知識圖譜、關係網絡等前沿技術，高效並精準的提取風險信息，結合多項創新應用，充分完善補充風險樣本，降低傳統風控模型樣本有偏的負面影響，結合傳統的評分卡模型進行封裝校準，在高水準風險識別能力的基礎上，保障了風控模型的解釋性和穩定性，實現全局最優表現。

這些科技創新將令我們可以持續提高服務用戶的效率，進而逐步轉化為更好的經濟收益。

財務回顧

收益

我們的收益總額由截至2017年12月31日止年度的約人民幣2,268.6百萬元增加24.0%至截至2018年12月31日止年度的約人民幣2,812.0百萬元。

信貸撮合及服務費由截至2017年12月31日止年度的約人民幣1,627.3百萬元增加26.3%至截至2018年12月31日止年度的約人民幣2,055.5百萬元。我們在貸款辦理時在合併財務報表中確認前期信貸撮合服務費，並於貸款期內確認後期信貸撮合服務費。信貸撮合服務費的增長主要歸因於我們採取更加謹慎的策略，更加專注於服務信用卡人群，在維持借款人綜合成本總體穩定之前提下，提高風險控制能力，使我們在2018年撮合的信貸有更好的質量表現，從而令我們從信貸撮合業務仍能獲取更高的收益。

Management Discussion and Analysis

管理層討論及分析



Credit card technology service fee increased by 82.1% from approximately RMB140.4 million for the year ended 31 December 2017 to approximately RMB255.7 million for the year ended 31 December 2018, mainly because of the increase in the number of credit cards issued to our users through us and the increase in high-value-added technology services rendered to cooperating banks through our co-branding credit cards.

Our loan referral service fee increased by 7.3% from approximately RMB189.3 million for the year ended 31 December 2017 to approximately RMB203.1 million for the year ended 31 December 2018, primarily driven by the increase in the total volume of loans we referred to third-party business partners.

Other revenue decreased by 4.4% from approximately RMB311.5 million for the year ended 31 December 2017 to approximately RMB297.7 million for the year ended 31 December 2018, mainly resulted from decrease of interest income of loans to customers due to decrease in loan balance from the trusts we established.

Operating expenses

Our operating expenses increased by 75.7% from approximately RMB1,562.9 million for the year ended 31 December 2017 to approximately RMB2,746.4 million for the year ended 31 December 2018.

Origination and servicing expenses increased by 46.7% from approximately RMB516.9 million for the year ended 31 December 2017 to approximately RMB758.3 million for the year ended 31 December 2018, primarily because (i) external technical service fee increased by 135.5% to approximately RMB223.3 million for the year ended 31 December 2018 from approximately RMB94.8 million for the year ended 31 December 2017 due to increased demand for third party services such as loan collection services and credit risk assessment services, and (ii) employee benefit expenses increased by 56.4% to approximately RMB183.8 million for the year ended 31 December 2018 from approximately RMB117.5 million for the year ended 31 December 2017 due to the increased human resources expense to further enhance our risk management capability of credit facilitation business.

信用卡科技服務費由截至2017年12月31日止年度的約人民幣140.4百萬元增加82.1%至截至2018年12月31日止年度的約人民幣255.7百萬元，主要由於透過我們向用戶發行的信用卡數目增加以及透過我們的聯名信用卡向合作銀行提供高附加值的科技服務的增加。

我們的信貸介紹服務費由截至2017年12月31日止年度的約人民幣189.3百萬元增加7.3%至截至2018年12月31日止年度的約人民幣203.1百萬元，主要受我們向第三方業務夥伴轉介的貸款總量增加所推動。

其他收益由截至2017年12月31日止年度的約人民幣311.5百萬元減少4.4%至截至2018年12月31日止年度的約人民幣297.7百萬元，主要由於我們設立的信託之貸款餘額持續下降，貸款利息收入減少。

經營開支

我們的經營開支由截至2017年12月31日止年度的約人民幣1,562.9百萬元增加75.7%至截至2018年12月31日止年度的約人民幣2,746.4百萬元。

辦理及服務開支由截至2017年12月31日止年度的約人民幣516.9百萬元增加46.7%至截至2018年12月31日止年度的約人民幣758.3百萬元，主要由於(i)貸款回收服務和信審服務等第三方服務的需求增加，令截至2018年12月31日止年度的外部技術服務費由截至2017年12月31日止年度的約人民幣94.8百萬元增加135.5%至約人民幣223.3百萬元；及(ii)為了進一步加強我們信貸撮合業務的風險控制能力，我們加大了相關的人力開支，令截至2018年12月31日止年度的僱員福利開支由截至2017年12月31日止年度的約人民幣117.5百萬元增加56.4%至約人民幣183.8百萬元。



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管理層討論及分析

General and administrative expenses increased by 125.9% from approximately RMB182.1 million for the year ended 31 December 2017 to approximately RMB411.3 million for the year ended 31 December 2018, mainly because (i) employee benefit expenses for the year ended 31 December 2018 increased by 177.1% to approximately RMB284.0 million from approximately RMB102.5 million for the year ended 31 December 2017, including the increase of approximately RMB150.1 million of share-based compensation expenses, and (ii) listing expenses increased by 150.3% to approximately RMB37.3 million for the year ended 31 December 2018 from approximately RMB14.9 million for the year ended 31 December 2017.

Research and development expenses increased by 25.7% from approximately RMB261.4 million for the year ended 31 December 2017 to approximately RMB328.6 million for the year ended 31 December 2018, primarily due to the headcount increase for our research and development team to strengthen our technology capabilities.

Other (losses)/gains, net changed from a gain of approximately RMB11.9 million for the year ended 31 December 2017 to a loss of approximately RMB629.9 million for the year ended 31 December 2018. Our quality assurance fund ("QAF") loss increased to approximately RMB345.9 million from approximately RMB36.6 million for the corresponding period in 2017. Our impairment loss increased to approximately RMB258.4 million from approximately RMB97.4 million for the corresponding period in 2017. The increase in QAF loss and impairment loss is mainly because of the adoption of IFRS 9 in 2018. IFRS 9 introduced a new methodology of recognizing the impairment of financial assets and financial guarantee contracts (i.e. QAF payable) using ECL model, replacing the incurred credit loss model under IAS 39 in previous years. As a result of adopting IFRS 9, the Company measured 12-month ECL for non-impaired financial instruments which have not experienced significant increase in credit risk ("SICR"), and lifetime ECL for non-impaired financial instruments which have experienced SICR and for impaired financial instruments. The major difference between IFRS 9 and IAS 39 is the measurement of impairment for non-impaired financial instruments. Under IAS 39, the allowances are only provided for credit losses incurred but not yet identified. In general, the adoption of IFRS 9 results in early recognition of impairment for non-impaired financial instruments. And our fair value gain on financial assets at FVPL changed from approximately RMB191.7 million to fair value loss on financial assets at FVPL of approximately RMB3.9 million, mainly because the fair value of our investments kept relatively stable as at 31 December 2018 compared to 31 December 2017.

一般及行政開支由截至2017年12月31日止年度的約人民幣182.1百萬元增加125.9%至截至2018年12月31日止年度的約人民幣411.3百萬元，主要由於(i)截至2018年12月31日止年度的僱員福利開支由截至2017年12月31日止年度的約人民幣102.5百萬元增加177.1%至約人民幣284.0百萬元，包括以股份為基礎的薪酬開支增加約人民幣150.1百萬元；及(ii)截至2018年12月31日止年度的上市開支由截至2017年12月31日止年度的約人民幣14.9百萬元增加150.3%至約人民幣37.3百萬元。

研發開支由截至2017年12月31日止年度的約人民幣261.4百萬元增加25.7%至截至2018年12月31日止年度的約人民幣328.6百萬元，主要是由於為增強我們的技術實力而增加人力投入。

其他(虧損)/收益淨額由截至2017年12月31日止年度的收益約人民幣11.9百萬元轉變為截至2018年12月31日止年度的虧損約人民幣629.9百萬元。我們的質量保證金(「質量保證金」)虧損由2017年同期的約人民幣36.6百萬元增加至約人民幣345.9百萬元。我們的減值虧損由2017年同期的約人民幣97.4百萬元增加至約人民幣258.4百萬元。質量保證金虧損和減值虧損增加的原因主要為國際財務報告準則第9號於2018年的採納。國際財務報告準則第9號引入了預期信用損失模式作為新的計量金融資產和金融擔保合同(例如應付質量保證金)的減值的方法論，替代了過往年度國際會計準則第39號使用的已發生虧損模式。採納了國際財務報告準則第9號後，公司對於未發生信用風險大幅增加的未減值資產確認預期未來十二個月的預期信用損失，對於已發生信用風險大幅增加(「信用風險大幅增加」)的未減值資產和已減值資產，確認全週期的預期信用損失。國際財務報告準則第9號和國際會計準則第39號的主要區別在於對未減值資產的減值的計量方法。在國際會計準則第39號下，減值準備只針對已發生未確認的減值虧損。總體而言，國際財務報告準則第9號的採納會導致未減值資產的減值虧損的提前確認。我們的按公允價值計入損益的金融資產的公允價值收益由約人民幣191.7百萬元轉變為按公允價值計入損益的金融資產的公允價值虧損約人民幣3.9百萬元，原因為我們於2018年12月31日的投資的公允價值與2017年12月31日相比保持相對穩定。

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Share of net loss of associates accounted for using equity method

Share of net loss of associates accounted for using equity method decreased by 13.3% from approximately RMB1.5 million for the year ended 31 December 2017 to approximately RMB1.3 million for the year ended 31 December 2018.

Fair value gain/(loss) of preferred shares

Fair value gain/(loss) of preferred shares changed from a loss of approximately RMB2,260.9 million for the year ended 31 December 2017 to a gain of approximately RMB1,942.2 million for the year ended 31 December 2018.

Fair value gain of financial liability at FVPL

We recorded approximately RMB98.4 million of fair value gain of financial liability at FVPL for the year ended 31 December 2018, as compared to nil for the year ended 31 December 2017.

Finance expenses, net

Finance expenses, net decreased by 49.0% from approximately RMB47.8 million for the year ended 31 December 2017 to approximately RMB24.4 million for the year ended 31 December 2018. The decrease mainly reflected the decrease in financing expense of preferred shares.

Income tax credit/(expense)

Income tax credit/(expense) changed from an income tax expense of approximately RMB16.4 million for the year ended 31 December 2017 to an income tax credit of approximately RMB88.1 million for the year ended 31 December 2018, mainly as a result of recognition of deferred income tax assets related to deductible expenses approved by tax authority in 2018.

Profit/(loss) for the year

As a result of the foregoing, our profit/(loss) for the year changed from a net loss of approximately RMB1,378.5 million for the year ended 31 December 2017 to a net profit of approximately RMB2,168.8 million for the year ended 31 December 2018.

分佔採用權益法入賬的聯營公司虧損淨額

分佔採用權益法入賬的聯營公司虧損淨額由截至2017年12月31日止年度的約人民幣1.5百萬元減少13.3%至截至2018年12月31日止年度的約人民幣1.3百萬元。

優先股公允價值收益／（虧損）

優先股公允價值收益／（虧損）由截至2017年12月31日止年度的虧損約人民幣2,260.9百萬元變為截至2018年12月31日止年度的收益約人民幣1,942.2百萬元。

按公允價值計入損益的金融負債的公允價值收益

截至2018年12月31日止年度，我們錄得按公允價值計入損益的金融負債的公允價值收益約人民幣98.4百萬元，截至2017年12月31日止年度為零。

財務開支淨額

財務開支淨額由截至2017年12月31日止年度的約人民幣47.8百萬元減少49.0%至截至2018年12月31日止年度的約人民幣24.4百萬元。該項減少主要反映優先股的財務開支減少。

所得稅抵免／（開支）

所得稅抵免／（開支）由截至2017年12月31日止年度的所得稅開支約人民幣16.4百萬元變為截至2018年12月31日止年度的所得稅抵免約人民幣88.1百萬元，主要是由於確認與2018年經稅務局批准的稅前可扣減開支有關的遞延所得稅資產。

年內溢利／（虧損）

由於上述理由，我們的年內溢利／（虧損）由截至2017年12月31日止年度的虧損淨額約人民幣1,378.5百萬元變為截至2018年12月31日止年度的溢利淨額約人民幣2,168.8百萬元。

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Non-IFRS measures

We compensate for the limitations of the non-IFRS measures by reconciling the non-IFRS financial measures to the nearest IFRS performance measure, all of which should be considered when evaluating our performance.

The following table reconciles our non-IFRS net profit/(loss) in the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit/(loss) for the year:

非國際財務報告準則計量

我們透過非國際財務報告準則財務計量與最近期的國際財務報告準則表現計量之間的對賬消除非國際財務報告準則計量的該等限制，所有計量均應於評估我們的表現時予以考慮。

下表載列所呈列非國際財務報告準則年內溢利／（虧損）淨額與根據國際財務報告準則計算及呈列的最直接可資比較財務計量（即年內溢利／（虧損））的對賬：

| | | For the year ended 31 December | |
|---|--|--------------------------------|----------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Non-IFRS net profit | 非國際財務報告準則溢利 | | |
| Net profit/(loss) | 純利／（虧損）淨額 | 2,168,767 | (1,378,471) |
| Adjusted for: | 就以下各項作出調整： | | |
| Share-based compensation expenses | 以股份為基礎的薪酬開支 | 204,920 | 56,594 |
| Fair value (gain)/loss of preferred shares | 優先股的公允價值（收益）／虧損 | (1,942,221) | 2,260,930 |
| Extinguishment gain of preferred shares | 優先股的清償收益 | — | (242,462) |
| Fair value gain of financial liability at FVPL | 按公允價值計入損益的 金融負債公允價值收益 | (98,448) | — |
| Finance expenses related to preferred shares | 有關優先股的財務開支 | — | 32,351 |
| Fair value loss/(gain) of financial assets at FVPL ⁽¹⁾ | 按公允價值計入損益的金融 資產公允價值虧損／（收益） ⁽¹⁾ | 3,911 | (191,706) |
| Listing expenses | 上市開支 | 37,275 | 14,905 |
| Non-IFRS net profit⁽²⁾ | 非國際財務報告準則溢利⁽²⁾ | 374,204 | 552,141 |

Notes:

- (1) Based on the changes of external market, the Company reduced its investment in non-strategic investment business and the fair value loss/(gain) of which generally does not have cash outflow/inflow impact. Thus, we adjusted the effect of net profit by such business.
- (2) The decrease in non-IFRS net profit was mainly due to the increase of QAF loss and impairment loss as a result of the adoption of IFRS 9 in 2018 while in the corresponding period of 2017 IAS 39 was applied.

附註：

- (1) 根據外部市場環境的變化，本公司減少對非戰略性投資業務的投入且該業務的公允價值虧損／（收益）一般無現金流出／流入的影響。因此，我們將該業務對淨溢利的影響進行調整。
- (2) 非國際財務報告準則溢利之減少原因主要來自於質量保證金虧損淨額和減值虧損的增加，由於我們在2018年採用國際財務報告準則第9號，而2017年仍適用國際會計準則第39號。

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Liquidity, Financial Resources and Gearing

The Group maintained a net cash position throughout the years under review. Our net cash positions as at 31 December 2018 and 31 December 2017 are as follows:

流動資金及財務資源及資本負債比率

本集團於整個回顧年度保持淨現金狀況。我們截至2018年12月31日及2017年12月31日的淨現金狀況如下：

| | | As at 31 December 2018 於2018年 12月31日 RMB'million 人民幣百萬元 | As at 31 December 2017 於2017年 12月31日 RMB'million 人民幣百萬元 |
|---------------------------|------------|---|---|
| Cash and cash equivalents | 現金及現金等價物 | 1,206 | 1,258 |
| Liquid investments | 短期投資 | 569 | 245 |
| Borrowings | 借款 | (603) | (693) |
| Net cash | 淨現金 | 1,172 | 810 |

Cash and cash equivalents include cash at banks and other short-term deposits with original maturities of three months or less. Liquid investments are primarily wealth management products issued by banks and held with the primary objective to generate income at a yield higher than current deposit bank interest rates. Our cash and cash equivalents and liquid investments are denominated in the United States ("US") dollars, RMB and Hong Kong dollars.

現金及現金等價物包括銀行現金及原屆滿期限為三個月或以下的其他短期存款。短期投資主要是銀行發行的理財產品，持有其目的主要是以高於現行銀行存款利率的收益率產生收入。我們的現金及現金等價物和短期投資以美元（「美元」）、人民幣及港元計值。

For the year ended 31 December 2018, the Group recorded net cash outflow of approximately RMB52.3 million, primarily as a result of net cash flow generated from operating activities of approximately RMB89.2 million, net cash flow generated from financing activities of approximately RMB51.5 million, offset by net cash used in investing activities of approximately RMB207.0 million.

截至2018年12月31日止年度，本集團錄得淨現金流出約人民幣52.3百萬元，主要是由於經營活動產生的淨現金流量約人民幣89.2百萬元以及融資活動產生的淨現金流量約人民幣51.5百萬元，被投資活動所用現金淨額約人民幣207.0百萬元抵銷。

The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

本集團通過維持足夠現金儲備、銀行融資及儲備借款融資，持續監察預測及實際現金流量及匹配金融資產及負債的屆滿期限管理流動資金風險。

The gearing ratio, calculated as total borrowings divided by total assets, was 8.0% as at 31 December 2018. (31 December 2017: 9.0%).

於2018年12月31日，資產負債比率（按借款總額除以總資產計算）為8.0%（2017年12月31日：9.0%）。

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The following table sets forth the maturity profile of our borrowings within the year indicated.

下表載列於所示年度內我們的借款的到期狀況。

| | | As at 31 December 2018 於2018年 12月31日 RMB' 000 人民幣千元 | As at 31 December 2017 於2017年 12月31日 RMB' 000 人民幣千元 |
|-------------------------|-------------|---|---|
| Within 1 year | 一年內 | 189,900 | 257,057 |
| 1 year to 2 years | 一至兩年 | 34,056 | 9,767 |
| 2 years to 5 years | 二至五年 | 365,850 | 403,720 |
| Over 5 years | 五年以上 | 13,196 | 22,709 |
| Total Borrowings | 借款總額 | 603,002 | 693,253 |

The bank and other borrowings as at 31 December 2018 were all denominated in RMB (31 December 2017: RMB and Hong Kong dollars).

於2018年12月31日，銀行及其他借款以人民幣計值（2017年12月31日：人民幣及港元）。

Capital Structure

On 13 July 2018 (the "Listing Date"), being the date of which the shares of the Company (the "Shares") were initially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the total number of issued Shares was 1,187,026,522 and further increased to 1,194,425,522 after the partial exercise of over-allotment option on 3 August 2018. For details, please refer to the prospectus of the Company dated 29 June 2018 ("Prospectus") and the announcement dated 5 August 2018, respectively.

資本結構

於2018年7月13日（「上市日期」），即本公司股份（「股份」）首次在香港聯合交易所有限公司（「聯交所」）主板上市之日，已發行股份總數為1,187,026,522股，並在超額配股權於2018年8月3日部分獲行使之後進一步增至1,194,425,522股。詳情請參閱本公司日期分別為2018年6月29日的招股章程（「招股章程」）及2018年8月5日的公告。

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Exposure to Fluctuations in Exchange Rates

The Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars and Hong Kong dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if US dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the year ended 31 December 2018 would have been approximately RMB584,000 higher/lower, and the loss before income tax for the year ended 31 December 2017 would have been approximately RMB3,357,000 lower/higher, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in US dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if Hong Kong dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the year ended 31 December 2018 would have been approximately RMB5,708,000 higher/lower, and the loss before income tax for the year ended 31 December 2017 would have been approximately RMB7,523,000 lower/higher, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in Hong Kong dollars.

The Group has entered into foreign exchange forward contracts to cover specific foreign currency payments and receipts within the exposure generated from time to time.

Charge on Assets

During the year ended 31 December 2018, the Group had pledged its shares held in 北京決策信誠科技有限公司 (transliterated as Beijing Juece Xincheng Technology Co., Ltd.) in favour of Wenchuang Branch of Bank of Hangzhou Co., Ltd. ("Hangzhou Bank") as security for obtaining a loan of a total sum of RMB30 million. The Group had charged its properties located in Building B3, Wenyi West Road, No. 588 Hangzhou, PRC in favour of Wenchuang Branch of Hangzhou Bank for obtaining a mortgage loan of a total sum of RMB53 million.

匯率波動風險

本集團的附屬公司主要在中國經營，須承受持有各類貨幣帶來的外匯風險，主要與美元及港元有關。

就本集團旗下功能貨幣為人民幣的中國附屬公司而言，如美元兌人民幣升值／貶值5%，而所有其他變量維持不變，由於換算以美元計值的貨幣資產淨值產生的外匯收益／（虧損）淨額，截至2018年12月31日止年度的除所得稅前溢利將增加／減少約人民幣584,000元，截至2017年12月31日止年度的除所得稅前虧損則減少／增加約人民幣3,357,000元。

就本集團旗下功能貨幣為人民幣的中國附屬公司而言，如港元兌人民幣升值／貶值5%，而所有其他變量維持不變，由於換算以港元計值的貨幣資產淨值產生的外匯收益／（虧損）淨額，截至2018年12月31日止年度的除所得稅前溢利將增加／減少約人民幣5,708,000元，截至2017年12月31日止年度的除所得稅前虧損則減少／增加約人民幣7,523,000元。

本集團已訂立外匯遠期合約，以涵蓋不時涉及的特定外匯收支。

資產抵押

截至2018年12月31日止年度，本集團已將其於北京決策信誠科技有限公司擁有的股份全部質押給杭州銀行股份有限公司（「杭州銀行」）文創支行，用於獲取貸款人民幣30百萬元。本集團已將其坐落於中國杭州文一西路588號首座B3號樓的房產抵押給杭州銀行文創支行，用於獲取抵押貸款人民幣53百萬元。



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Significant Investments

For the year ended 31 December 2018, the Group did not have any significant investments.

Material Acquisition and Disposal

For the year ended 31 December 2018, the Group did not have any material acquisition or disposal.

Contingent Liabilities

As at 31 December 2018, the Group had no material contingent liability (31 December 2017: nil).

Employees and Remuneration Policy

As at 31 December 2018, the Group had 1,145 staff (31 December 2017: 1,441). For the year ended 31 December 2018, the total employee benefit expenses incurred by the Group was approximately RMB766.1 million (year ended 31 December 2017: approximately RMB471.0 million). The increase in employee benefit expenses mainly results from higher share-based compensation expenses recorded in 2018.

The Company has established an effective compensation management system and talent incentive mechanism by following the principle of "competitive compensation to attract high-quality talent". The Company's compensation system is linked to the performance appraisal system and the Group's operating results to create a more fair and humane working environment for each employee to fully exert his/her own value, so as to provide human resources guarantee for the Company's sustainable and stable development. In addition, the Company focuses on employee training system construction, including new employee induction training and on-the-job training, covering professional training to improve vocational skills, management training to enhance leadership quality and general-purpose training to develop comprehensive quality. Meanwhile, the Company implements a training score management system to create a good learning atmosphere for achieving the simultaneous development of employees and the enterprise.

The Company has also adopted 51 Stock Scheme and 51 Award Scheme to reward the employees. For details, please refer to the section headed "Appendix IV - Statutory and General Information - D. RSU Schemes" of the Prospectus.

重大投資

於截至2018年12月31日止年度，本集團並無任何重大投資。

重大收購及出售

截至2018年12月31日止年度，本集團並無任何重大收購或出售。

或然負債

於2018年12月31日，本集團並無任何重大或然負債（2017年12月31日：無）。

僱員及薪酬政策

於2018年12月31日，本集團有1,145名僱員（2017年12月31日：1,441名）。本集團於截至2018年12月31日止年度產生的僱員福利開支總額約為人民幣766.1百萬元（截至2017年12月31日止年度：約人民幣471.0百萬元）。僱員福利開支的增加主要係2018年計入了較多的以股份為基礎的薪酬開支導致。

本公司遵循「有競爭力的薪酬吸引高素質人才」原則，建立有效的薪酬管理體系及人才激勵機制。本公司薪酬體系與績效考核體系和本集團經營業績掛鉤，為每一位員工創造更加公平和人性化的工作環境，讓每一位員工能夠充分發揮自身價值，為本公司的持續穩定發展提供人力資源保障。此外，本公司注重員工培訓體系建設，包括新員工入職培訓和在職員工培訓，內容涵蓋提高職業技能的專業類培訓、提升領導力素質的管理類培訓及培養綜合素質的通用類培訓。同時，本公司實行培訓積分管理制度，營造良好的學習氛圍，實現員工與企業的共同發展。

本公司亦已採納51股份計劃及51獎勵計劃獎勵僱員。詳情請參見招股章程「附錄四—法定及一般資料—D.受限制股份單位計劃」一節。



Management Discussion and Analysis

管理層討論及分析

OUTLOOK

According to the People's Bank of China, the number of credit cards in use in China has reached approximately 686 million as of 31 December 2018, representing a 16.7% increase from approximately 588 million as of 31 December 2017. We believe the penetration of credit card service in China will continue in 2019 and will benefit our user base expansion and business growth.

We will put more emphasis on strengthening cooperation with financial institutions. On the one hand, we will further develop services and products in our ecosystem that enable us to deepen such cooperation, especially credit card technology services including co-branding credit cards. On the other hand, we will also explore business opportunities in partnering with financial institutions to provide credit facilitation service to our users. We will continue making efforts in development of more products and services, including loan products with diversified features that suit the needs of our users. We have been investing in research and development in technologies. We will further strengthen our technology capabilities by optimizing our proprietary big data analysis model in areas like precision marketing and credit assessment.

In 2018, with the increasingly stringent regulations, small-and-medium-sized platforms and non-compliant platforms exited the market gradually. As the online personal credit market consolidation accelerates, platforms with large scale and have strictly complied with the existing regulations will have a great chance to thrive. Capitalized on our high-value financially active users accumulated from 51 Credit Card Manager App since 2012, the unique business model from user acquisition through credit card management tools to subsequent capitalization on various financial services to meet the users' needs, the unique credit card bills data, and the big data risk management system independently developed based on such data together with the progress achieved in the compliance filing, we believe that our competitive advantages will be further strengthened in the future.

展望

根據中國人民銀行的資料，中國使用中的信用卡數量由截至2017年12月31日的約5.88億張增加16.7%至截至2018年12月31日的約6.86億張。我們認為，2019年信用卡服務將繼續滲入中國市場，並將有利於我們的用戶基礎擴大及業務增長。

我們將更加注重加強與金融機構的合作。一方面，我們將進一步開發我們生態系統中使我們能夠深化有關合作的服務和產品，尤其是聯名信用卡等信用卡技術服務。另一方面，我們還將探索與金融機構合作向我們的用戶提供信貸撮合服務的業務機會。我們將繼續致力開發新產品及服務，包括迎合客戶需要、具多元特色的貸款產品。我們一直在進行技術研發方面的投入，我們將通過優化精準營銷和信用評估等領域的專有大數據分析模型，進一步加強自身的技術實力。

2018年度，隨著監管政策進一步趨嚴，中小型平台以及業務合規方面存在瑕疵的平台陸續退出市場，線上個人信貸市場整合進一步加速，規範運營並且實力強勁的平台將迎來更大的發展機會。憑借51信用卡管家應用自2012年以來積累的大量高價值活躍金融用戶，獨特的由工具獲客至金融業務變現的業務模式，獨有的信用卡賬單數據以及在此基礎上獨立開發的大數據風控體系，以及在合規備案方面取得的進展，我們認為在未來51信用卡的競爭優勢將更加顯著。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Sun Haitao (孫海濤), aged 38, was appointed as the chairman and an executive Director of the Company in September 2017. Currently, Mr. Sun serves as the chairman of the board of directors, chief executive officer and general manager of Hangzhou Enniu Network Technology Co., Ltd. (杭州恩牛網絡技術有限公司) (“**Hangzhou Enniu**”), and also serves as a director of various subsidiaries of the Company including, among others, Beijing Dingli Chuangshi Technology Co., Ltd. (北京鼎力創世科技有限公司), Hangzhou Yiniu Network Technology Co., Ltd. (杭州義牛網絡技術有限公司), Hangzhou Yeniu Information Technology Co., Ltd. (杭州也牛信息技術有限公司) (formerly known as Hangzhou Yeniu Asset Management Co., Ltd. (杭州也牛資產管理有限公司)) and Fuzhou Enniu Network Micro Credit Co., Ltd. (撫州市恩牛網絡小額貸款有限公司). Mr. Sun also serves as the chairman and an executive director of China Netcom Technology Holdings Limited (listed on GEM of the Stock Exchange, stock code: 8071).

Mr. Sun is an entrepreneur. He obtained a bachelor's degree in business administration from Hangzhou Institute of Electronic Industry (杭州電子工業學院) (now known as Hangzhou Dianzi University (杭州電子工業大學)) in June 2002. He has been engaged in Internet businesses since 2004, and founded several Internet companies before founding Hangzhou Enniu in 2012. From May 2004 to August 2007, Mr. Sun served as founder of Hangzhou Aladdin Information & Technology Co., Ltd. (杭州阿拉丁信息科技有限公司) and E City (E都市), a 3D mapping website in the PRC; and from August 2007 to February 2012, Mr. Sun served as the general manager and founder of Hangzhou Fangtoo Information & Technology Co., Ltd. (杭州房途信息科技有限公司), a large online second-hand property platform.

In May 2012, Mr. Sun led the team to create the credit card management mobile application named “51 Credit Card Manager” and 51 Credit Card Group has grown to be one of the leading financial technology companies in China during the past few years. Mr. Sun personally has been honored the *Entrepreneur of 2016* by Dark Horse, *2017 Chinese Economic Figures* by SINA and *New Business 100 Annual Actors* by 36Kr, etc.

執行董事

孫海濤先生，38歲，自2017年9月起獲委任為本公司主席兼執行董事。孫先生現為杭州恩牛網絡技術有限公司（「杭州恩牛」）之董事長、行政總裁兼總經理，亦擔任本公司多間附屬公司之董事，其中包括北京鼎力創世科技有限公司、杭州義牛網絡技術有限公司、杭州也牛信息技術有限公司（前稱杭州也牛資產管理有限公司）及撫州市恩牛網絡小額貸款有限公司。孫先生亦擔任中彩網通控股有限公司（聯交所GEM上市，股份代號：8071）的主席兼執行董事。

孫先生為一名企業家，於2002年6月獲得杭州電子工業學院（現稱杭州電子工業大學）工商管理學士學位。彼自2004年起從事互聯網業務，於2012年成立杭州恩牛前曾創立多間互聯網公司。孫先生於2004年5月至2007年8月為杭州阿拉丁信息科技有限公司及中國三維地圖網站E都市的創辦人，由2007年8月至2012年2月於大型網絡二手房平台杭州房途信息科技有限公司擔任總經理兼創辦人。

於2012年5月，孫先生帶領團隊創辦信用卡管理手機應用程式「51信用卡管家」。51信用卡集團在過去數年中成長為中國金融科技領先企業之一。孫先生個人是創業黑馬2016年度創業家稱號獲得者，也是新浪評選出的2017年中國經濟潮流人物，36氪新商業100年行動者等。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情



Mr. Yang Yuzhi (楊宇智), aged 31, was appointed as an executive Director in November 2017. Currently, Mr. Yang serves as the vice-president and director of Hangzhou Enniu, and a director of various subsidiaries of the Company. From June 2010 to October 2012, he served as the regional manager to Beijing LaShou Technology Co., Ltd. (北京拉手科技有限公司); and from February 2014 to February 2016, he served as a director and the chief executive officer of Beijing Dingli Chuangshi Technology Co., Ltd. (北京鼎力創世科技有限公司), a subsidiary of the Company.

Mr. Yang graduated from the Northeast Petroleum University School of Economics and Management (東北石油大學經濟管理學院) in July 2013 with a bachelor's degree in engineering management. Mr. Yang was honored the "30 under 30" by Forbes China in 2017.

Mr. Zhao Ke (趙軻), aged 35, was appointed as an executive Director in November 2017. He is also the chief financial officer of the Company. Currently, Mr. Zhao also serves as an executive director of China Netcom Technology Holdings Limited (listed on GEM of the Stock Exchange, stock code: 8071) and a director of various subsidiaries of the Company including, among others, Hangzhou Enniu. From July 2006 to October 2015, Mr. Zhao served in a number of positions, including as a senior manager of the capital markets services group at Hong Kong Firm of PricewaterhouseCoopers.

Mr. Zhao graduated from Xi'an Jiaotong University (西安交通大學) in July 2005 with a bachelor's degree in finance and obtained a master's degree in economics from the University of Ottawa in Canada (加拿大渥太華大學) in October 2006. He was accredited as a certified public accountant by The Chinese Institute of Certified Public Accountants in May 2011 and by the Hong Kong Institute of Certified Public Accountants in May 2015.

楊宇智先生，31歲，自2017年11月起獲委任為執行董事。楊先生現為杭州恩牛的副總裁及董事，及本公司多間附屬公司的董事。彼於2010年6月至2012年10月擔任北京拉手科技有限公司的區域經理及於2014年2月至2016年2月擔任本公司附屬公司北京鼎力創世科技有限公司的董事兼行政總裁。

楊先生於2013年7月畢業於東北石油大學經濟管理學院，並獲得工程管理學士學位。楊先生是2017福布斯中國「30位30歲以下精英」稱號獲得者。

趙軻先生，35歲，自2017年11月起獲委任為執行董事。彼亦為本公司之首席財務官。趙先生現時亦擔任中彩網通控股有限公司（聯交所GEM上市，股份代號：8071）的執行董事及本公司多間附屬公司的董事，其中包括杭州恩牛之董事。於2006年7月至2015年10月期間，趙先生在羅兵咸永道會計師事務所香港分所歷任多個職務，包括資本市場服務部高級經理。

趙先生於2005年7月畢業於西安交通大學，獲得金融學士學位，並於2006年10月獲得加拿大渥太華大學 (University of Ottawa) 經濟學碩士學位。彼於2011年5月獲中國註冊會計師協會認可為註冊會計師，並於2015年5月獲香港會計師公會認可為註冊會計師。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

NON-EXECUTIVE DIRECTOR

Ms. Zou Yunli (鄒雲麗), aged 46, was appointed as a non-executive Director in November 2017. Currently, Ms. Zou also serves as a director of Hangzhou Enniu, a subsidiary of the Company. From October 1994 to June 2010, Ms. Zou served in a number of companies, including Shenzhen Tianjian Xinde Accounting Firm (深圳天健信德會計師事務所有限責任公司), Shenzhen Jingjia Group Co., Ltd. (深圳勁嘉集團股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002191) and Shenzhen Tiantu Venture Capital Co., Ltd. (深圳市天圖創業投資有限公司). Ms. Zou joined Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) (National Equities Exchange and Quotations System stock code: 833979) in June 2010 and has held various positions including as a director, chief financial officer and chief operational officer.

Ms. Zou obtained a bachelor's degree in auditing from Zhongnan University of Economics (中南財經大學) (now known as Zhongnan University of Economics and Law (中南財經政法大學)) in July 1994, a master's degree in professional accountancy from The Chinese University of Hong Kong (香港中文大學) in December 2004 and an executive master's degree in business administration from The Hong Kong University of Science and Technology (香港科技大學) in June 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Ti (汪棣), aged 60, was appointed as an independent non-executive Director in February 2018. Mr. Wong joined PricewaterhouseCoopers Zhong Tian in December 1990 and has held various positions successively. Mr. Wong served as senior auditor, senior manager and partner in the PricewaterhouseCoopers Zhong Tian before retiring in June 2015. He has nearly 25 years of experience in serving financial service industry clients. Mr. Wong has also served as an independent non-executive director of China Merchants Securities Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600999) and on the Stock Exchange, stock code: 6099) since January 2018.

Mr. Wong obtained a master's degree in business administration from the University of California, Los Angeles (加利福尼亞大學洛杉磯分校) in March 1986. He was accredited as a certified public accountant by The Chinese Institute of Certified Public Accountants in October 2002 and a certified public accountant in the United States of America in May 1993.

非執行董事

鄒雲麗女士，46歲，於2017年11月起獲委任為非執行董事。鄒女士現時亦擔任於本公司附屬公司杭州恩牛之董事。於1994年10月至2010年6月期間，鄒女士先後任職於多間公司，包括深圳天健信德會計師事務所有限責任公司、深圳勁嘉集團股份有限公司（深圳證券交易所上市，股份代號：002191）及深圳市天圖創業投資有限公司。鄒女士於2010年6月加盟深圳市天圖投資管理股份有限公司（全國中小企業股份轉讓系統股份代號：833979）並任職多個職務，包括董事、財務總監及首席運營官。

鄒女士於1994年7月獲得中南財經大學（現稱為中南財經政法大學）審計學士學位，於2004年12月獲得香港中文大學專業會計學碩士學位，並於2017年6月獲得香港科技大學高級管理人員工商管理碩士學位。

獨立非執行董事

汪棣先生，60歲，於2018年2月起獲委任為獨立非執行董事。汪先生於1990年12月加盟普華永道中天會計師事務所，並歷任多個職務。於2015年6月退休前，汪先生曾擔任普華永道中天會計師事務所之高級審計師、高級經理及合夥人。彼在服務金融服務行業客戶方面擁有近25年經驗。汪先生亦自2018年1月起擔任招商證券股份有限公司（上海證券交易所上市，股份代號：600999及聯交所上市，股份代號6099）的獨立非執行董事。

汪先生於1986年3月獲得加利福尼亞大學洛杉磯分校（University of California, Los Angeles）工商管理碩士學位。彼於2002年10月取得中國註冊會計師認證的註冊會計師資格，並於1993年5月在美國獲授予註冊會計師資格。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情



Mr. Wang Zhaocheng (王朝成), aged 41, was appointed as an independent non-executive Director in February 2018. From July 2000 to April 2004, Mr. Wang served in a number of positions including as the deputy general manager of the Beijing Office at Anhui Jinjuan Advertisement Co., Ltd. (安徽金鵲廣告有限公司). From April 2004 to March 2015, Mr. Wang served as a director and the chairman of Beijing Shengchu Investment Management Consulting Co., Ltd. (北京盛初投資管理諮詢有限公司). Mr. Wang has served as the chairman and chief executive officer of Beijing Yijiupi E-Commerce Co., Ltd. (北京易酒批電子商務有限公司) since March 2015. Mr. Wang has also served as an independent director of Shanxi Xinghuacun Fen Wine Factory Co., Ltd. (山西杏花村汾酒廠股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600809) since May 2016.

Mr. Wang received his bachelor's degree in trade and economics from Anhui University (安徽大學) in July 2000.

Mr. Ye Xiang (葉翔), aged 55, was appointed as an independent non-executive Director in February 2018. From August 2001 to November 2007, Mr. Ye served in a number of positions, including as a director of China affairs of the Securities and Futures Commission of Hong Kong.

Mr. Ye has served as the managing director of Vision Gain Capital Limited (匯信資本有限公司) since November 2007.

Mr. Ye has also served as an independent non-executive director of Datang Environment Industry Group Co., Ltd. (listed on the Stock Exchange, stock code: 1272) since June 2015 and as an independent non-executive director of Wuling Motors Holdings Limited (listed on the Stock Exchange, stock code: 305) since October 2008. He served as an independent director of Digital China Group Co., Limited (神州數碼集團股份有限公司) (formerly known as Shenzhen Shenxin Taifeng (Group) Co., Ltd. (深圳市深信泰豐(集團)股份有限公司)) (listed on the Shenzhen Stock Exchange, stock code: 000034) from June 2011 to April 2016.

Mr. Ye obtained a bachelor's degree in engineering from Zhejiang University (浙江大學) in July 1983 and obtained a master's degree in economics from Zhejiang University in January 1991. Mr. Ye obtained his doctoral degree in economics at the Financial Research Institute of the People's Bank of China (中國人民銀行總行金融研究所) in January 1995. He was accredited as a chartered financial analyst by the CFA Institute in September 2004.

王朝成先生，41歲，自2018年2月起獲委任為獨立非執行董事。於2000年7月至2004年4月期間，王先生在安徽金鵲廣告有限公司歷任多個職務，包括北京辦事處副總經理。王先生於2004年4月至2015年3月擔任北京盛初投資管理諮詢有限公司的董事兼主席。王先生自2015年3月起擔任北京易酒批電子商務有限公司的主席兼行政總裁。自2016年5月起，王先生亦擔任山西杏花村汾酒廠股份有限公司(上海證券交易所上市，股份代號：600809)的獨立董事。

王先生於2000年7月獲得安徽大學貿易經濟學士學位。

葉翔先生，55歲，於2018年2月起獲委任為獨立非執行董事。於2001年8月至2007年11月期間，葉先生歷任多個職務，包括香港證券及期貨事務監察委員會中國事務總監。

葉先生自2007年11月起擔任匯信資本有限公司的董事總經理。

葉先生亦自2015年6月起擔任大唐環境產業集團股份有限公司(聯交所上市，股份代號：1272)的獨立非執行董事及自2008年10月起擔任五菱汽車集團控股有限公司(聯交所上市，股份代號：305)的獨立非執行董事。於自2011年6月至2016年4月期間，彼擔任神州數碼集團股份有限公司(前稱：深圳市深信泰豐(集團)股份有限公司)(深圳證券交易所上市，股份代號：000034)的獨立董事。

葉先生於1983年7月獲得浙江大學工程學士學位，並於1991年1月獲得浙江大學經濟學碩士學位。葉先生於1995年1月獲得中國人民銀行總行金融研究所經濟學博士學位。彼於2004年9月獲特許金融分析師學會授予特許金融分析師資格。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

SENIOR MANAGEMENT

Mr. Jiang Yanqing (蔣燕青), aged 38, was appointed as the chief risk officer of the Company in May 2016. From April 2006 to January 2008, Mr. Jiang served as an analyst and a senior analytic specialist at Opera Solutions (Shanghai) Limited (奧浦管理諾諮詢(上海)有限公司), a wholly-owned subsidiary of Opera Solutions. From June 2008 to July 2013, Mr. Jiang served as a manager in Discover Information Technology (Shanghai) Limited (高沃信息技術(上海)有限公司), a wholly-owned subsidiary of Discover Financial Services. From August 2013 to June 2014, Mr. Jiang served as a management consultant in MasterCard Shanghai Business Consulting Ltd.; and from June 2014 to May 2016, Mr. Jiang served as senior management in Shanghai Metersbonwe Fashion & Accessories Co. Ltd. (上海美特斯邦威服飾股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002269). Mr. Jiang has resigned as chief risk officer on 18 January 2019.

Mr. Jiang obtained a bachelor's degree in computer science & engineering from Xi'an Jiaotong University (西安交通大學) in July 2003 and obtained a master's degree in computer science from Tokyo Institute of Technology (東京工業大學) in September 2005.

Mr. Guo Wei (郭威), aged 37, was appointed as the chief technology officer of the Company in July 2016. From July 2006 to April 2008, Mr. Guo served as a start-up member of the NetEase Inc. Hangzhou Research Institute (網易杭州研究院). From April 2008 to April 2010, Mr. Guo served as a research and development manager at Vobile (Hangzhou) Network Technologies Co., Limited (阜博通(杭州)網絡科技有限公司). From April 2010 to July 2016, Mr. Guo served as a senior technical expert to Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司), a subsidiary of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司) (listed on the New York Stock Exchange, ticker: BABA) and served as the head of technical team in charge of the 2015 Tmall Double 11 Shopping Festival.

Mr. Guo obtained a bachelor's degree in software engineering from Zhejiang University (浙江大學) in June 2004 and obtained a master's degree in computer science and technology from Zhejiang University in June 2006.

高級管理層

蔣燕青先生，38歲，自2016年5月起獲委任為本公司首席風控官。蔣先生於2006年4月至2008年1月擔任Opera Solutions的全資附屬公司奧浦管理諾諮詢(上海)有限公司的分析師兼高級分析師專家，於2008年6月至2013年7月擔任Discover Financial Services的全資附屬公司高沃信息技術(上海)有限公司的經理，於2013年8月至2014年6月擔任MasterCard Shanghai Business Consulting Ltd.的管理顧問及於2014年6月至2016年5月擔任上海美特斯邦威服飾股份有限公司(深圳證券交易所上市，股票代號: 002269)的高級管理人員。蔣先生於2019年1月18日辭任首席風控官。

蔣先生於2003年7月獲得西安交通大學的計算機科學工程學士學位，並於2005年9月獲得東京工業大學的計算機科學工程碩士學位。

郭威先生，37歲，自2016年7月起獲委任為本公司首席技術官。郭先生於2006年7月至2008年4月擔任網易杭州研究院的初創成員，於2008年4月至2010年4月擔任阜博通(杭州)網絡科技有限公司的研發經理及於2010年4月至2016年7月擔任阿里巴巴集團控股有限公司(紐約證券交易所上市，股票代號: BABA)的附屬公司浙江天貓技術有限公司的資深技術專家及2015年天貓雙十一購物節的技術負責人。

郭先生於2004年6月獲得浙江大學軟件工程專業學士學位，並於2006年6月獲得計算機科學與技術碩士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情



Mr. Zhu Yangzhi (朱揚志), aged 32, was appointed as the vice-president of the Company in March 2017, being in charge of product development and operations. From July 2010 to July 2015, Mr. Zhu served as product planning team leader in Tencent Group; and from July 2015 to March 2017, Mr. Zhu served as vice-president and general manager of the commercial products and business department of Shenzhen Xunlei Networking Culture Co., Ltd. (深圳市迅雷網文化有限公司).

Mr. Zhu obtained a bachelor's degree in computer science and engineering from South China University of Technology (華南理工大學) in July 2010.

Mr. Zhu Jianfei (朱劍飛), aged 36, was appointed as the vice-president of the Company in May 2015, being in charge of general management affairs. From July 2006 to June 2010, Mr. Zhu served in a number of positions at Shanghai Pudong Human Resources Center (浦東新區人才市場). From June 2010 to April 2013, Mr. Zhu served in a number of positions at Cloudary Corporation (盛靈信息技術(上海)有限公司, also known as (盛大文學)); and from April 2013 to April 2015, Mr. Zhu served as managing director of DataYes Inc. (通聯數據股份公司).

Mr. Zhu obtained a bachelor's degree in human resources management from Peking University (北京大學) in July 2006 and obtained a master's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in June 2012.

Mr. Zhang Xi (章曦), aged 45, was appointed as the vice-president of the Company in June 2016, being in charge of government relations affairs. Currently, Mr. Zhang serves as the general manager of Fuzhou Enniu Network Micro Credit Co., Ltd. (撫州市恩牛網絡小額貸款有限公司), a subsidiary of the Company. He has served as the person in charge of the finance department of the Group since July 2015. From October 2015 to April 2017, he served as a director of Hangzhou Enniu, a subsidiary of the Company; and from August 1992 to July 2015, he served in a number of positions including as a supervisor in the personal finance loans department of the Bank of China.

Mr. Zhang obtained a bachelor's degree in finance from Zhejiang University (浙江大學) in June 2004 and obtained a master's degree in global economics from Jilin University (吉林大學) in June 2013. He was accredited as an accountant by the Ministry of Finance of China in May 1998, a senior certified credit analyst by the China Center for Financial Training (中國金融培訓中心) in April 2014 and a member of the national committee of experts on the internet financial security technology (國家線上金融風險技術委員會) since August 2016.

朱揚志先生, 32歲, 自2017年3月起獲委任為本公司副總裁, 主管產品開發及運營。朱先生於2010年7月至2015年7月在騰訊集團擔任產品規劃團隊主管及於2015年7月至2017年3月擔任深圳市迅雷網文化有限公司的副總裁兼商業產品及業務部總經理。

朱先生於2010年7月獲得華南理工大學的計算機科學與工程學士學位。

朱劍飛先生, 36歲, 自2015年5月起獲委任為本公司副總裁, 負責一般性管理事務。朱先生於2006年7月至2010年6月在浦東新區人才市場擔任多個職務, 於2010年6月至2013年4月擔任盛靈信息技術(上海)有限公司(亦名盛大文學)的多個職務及於2013年4月至2015年4月擔任通聯數據股份公司的董事總經理。

朱先生於2006年7月獲得北京大學的人力資源管理學學士學位, 並於2012年6月獲得上海財經大學的會計學碩士學位。

章曦先生, 45歲, 自2016年6月起獲委任為本公司副總裁, 負責政府關係事務。章先生現為本公司附屬公司撫州市恩牛網絡小額貸款有限公司的總經理。彼自2015年7月擔任本集團的金融部門負責人, 於2015年10月至2017年4月擔任本公司附屬公司杭州恩牛的董事及於1992年8月至2015年7月於中國銀行個人貸款部擔任主管等多個職務。

章先生於2004年6月獲得浙江大學金融專業學士學位, 並於2013年6月獲得吉林大學的世界經濟學碩士學位。彼於1998年5月被中國財政部評為會計師, 於2014年4月被中國金融培訓中心評為高級註冊信貸分析師, 自2016年8月起擔任國家線上金融風險技術委員會委員。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

Mr. Wei Jianpeng (魏建鵬), aged 38, was appointed as the vice-president of the Company in June 2017, being in charge of the office of the Board and capital markets affairs. From August 2003 to July 2015, Mr. Wei served in a number of positions including as a senior manager in the audit department at PricewaterhouseCoopers Zhong Tian LLP. From July 2015 to July 2016, Mr. Wei served as the chief financial officer and executive general manager in China Innovative Capital Management Limited (中新融創資本管理有限公司); and from July 2016 to June 2017, Mr. Wei served as secretary to the board of directors of Zhejiang Orient Holdings Co., Ltd. (浙江東方集團股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600120).

Mr. Wei obtained a bachelor's degree in English (global business) from the Beijing Foreign Studies University (北京外國語大學) in July 2003. He has been accredited as a certified public accountant by The Chinese Institute of Certified Public Accountants.

Mr. Zhang Chuanbo (張傳波), aged 35, was appointed as the vice-president of the Company in August 2017, being in charge of marketing affairs. From July 2010 to April 2013, Mr. Zhang served as marketing director in Beijing LaShou Technology Co., Ltd. (北京拉手科技有限公司). From January 2014 to July 2017, Mr. Zhang served in a number of positions including as regional vice-president in Tuniu International Travel Service Co., Ltd. (途牛國際旅行社有限公司) (listed on NASDAQ, stock code: TOUR).

Mr. Zhang obtained a bachelor's degree in computer science and technology from Peking University (北京大學) in January 2009.

COMPANY SECRETARY

Ms. Li Hiu Ling (李曉玲) was appointed as the company secretary of the Company in March 2018. Ms. Li has over 10 years' experience in corporate secretarial compliance, holding a Master of Science in Professional Accounting and Corporate Governance, and a Bachelor of Social Sciences degree from two universities in Hong Kong. Ms. Li is a Chartered Secretary, a Chartered Governance Professional as well as an associate of the Hong Kong Institute of Chartered Secretaries ("HKICS") and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Li is also a holder of the Practitioner's Endorsement of HKICS. Currently, Ms. Li is also the company secretary of China Netcom Technology Holdings Limited (listed on GEM of the Stock Exchange, stock code: 8071), a subsidiary of the Company.

魏建鵬先生，38歲，自2017年6月起獲委任為本公司副總裁，負責董事會辦公室及資本市場事務。魏先生於2003年8月至2015年7月於普華永道中天會計師事務所（特殊普通合夥）審計部擔任高級經理等多個職務，於2015年7月至2016年7月擔任中新融創資本管理有限公司的首席財務官兼執行總經理及於2016年7月至2017年6月擔任浙江東方集團股份有限公司（上海證券交易所上市，股份代號：600120）的董事會秘書。

魏先生於2003年7月獲得北京外國語大學的英語（國商）學士學位，為中國註冊會計師協會認可為註冊會計師。

張傳波先生，35歲，自2017年8月起獲委任為本公司副總裁，負責營銷事務。張先生於2010年7月至2013年4月擔任北京拉手科技有限公司的營銷總監，於2014年1月至2017年7月於途牛國際旅行社有限公司（納斯達克上市，股份代號：TOUR）擔任多個職務，包括區域副總裁。

張先生於2009年1月獲得北京大學計算機科學與技術學士學位。

公司秘書

李曉玲女士，自2018年3月起獲委任為本公司之公司秘書。李女士在公司秘書合規領域擁有逾10年經驗，並獲香港兩間大學頒發專業會計與企業管治理學碩士學位及社會科學學士學位。李女士為特許公司秘書及特許管治專員，亦為香港特許秘書公會（「香港特許秘書公會」）會員及英國特許秘書及行政人員公會會員。李女士亦持有香港特許秘書公會之執業者認可證明。李女士現時亦擔任本公司之附屬公司中彩網通控股有限公司（聯交所GEM上市，股份代號：8071）之公司秘書。



Report of the Directors

董事會報告

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding whilst its major operating subsidiaries operate the online credit card management platform. Details of the principal activities of its principal subsidiaries are set out in Note 2.3 to the consolidated financial statements. An analysis of the Group's performance for the year ended 31 December 2018 by business segments is set out in Note 2.5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2018 and the state of affairs of the Group and of the Company as at that date are set out in the consolidated financial statements on pages 125 to 128.

In order to ensure the Board maintains an appropriate procedure on declaring and recommending the dividend payment of the Company, a new dividend policy (the "Dividend Policy") is adopted by the Board on 20 November 2018 which aims to allow the shareholders of the Company (the "Shareholders") to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

The declaration of dividends is subject to the Company's ability to pay dividends, which will depend upon, including but not limited to, the financial performance and position of the Company, Shareholders' interests, business conditions and strategies, and any other factors that the Board may deem relevant. The Board may consider declaring special dividends from time to time, in addition to the interim and/or annual dividends. The Board reviews the Dividend Policy and its effectiveness on a regular basis or as required to ensure the benefit of the Shareholders as a whole is taken into consideration from time to time during recommendation and declaration of dividends.

The Board does not recommend the payment of any dividend for the year ended 31 December 2018.

董事謹此提呈截至2018年12月31日止年度之董事會報告及本集團經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，而其主要營運附屬公司則運營著線上信用卡管理平台。其主要附屬公司主要業務詳情載於綜合財務報表附註2.3。本集團截至2018年12月31日止年度之業績按業務分類進行之分析載於綜合財務報表附註2.5。

業績及分配

本集團截至2018年12月31日止年度之溢利連同本集團及本公司於該日之財務狀況載於綜合財務報表第125至128頁。

為確保董事會在宣布和建議分派本公司股息時保持適當的程序，董事會於2018年11月20日採納了一項新的股息政策（「股息政策」），其目的旨在既讓本公司股東（「股東」）享有本公司的利潤，同時保持本公司的流動資金以捕捉未來的增長機會。

股息的宣布取決於本公司支付股息的能力而決定，並取決於（包括但不限於）本公司的財務表現及狀況、股東利益、業務狀況及策略、及董事會認為相關的任何其它因素。除中期及／或年度股息外，董事會亦可不時宣派特別股息。董事會定期或按要求時檢討股息政策及其有效性以確保股東整體利益於建議及宣派股息時不時予以考慮。

董事會不建議就截至2018年12月31日止年度派發任何股息。



Report of the Directors

董事會報告

BUSINESS REVIEW

A fair review of the Group's business, a description of the principal risks and uncertainties facing by the Group, and an indication of likely future development in the Group's business, are set out in the "CHAIRMAN'S STATEMENT", "MANAGEMENT DISCUSSION AND ANALYSIS" and "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT" sections of this report. These discussions form part of the "REPORT OF THE DIRECTORS".

ENVIRONMENTAL POLICY

The Group's commitment to protecting the environment is well reflected by the continuous efforts in promoting green measures and awareness in its daily business operations. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. The Group also implements green office practices such as promoting the use of recycled papers and reducing energy consumption by switching off idle lighting and electrical appliances.

The Group reviews its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses and enhancing environmental sustainability.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

業務回顧

公平審閱本集團業務、闡述本集團面臨之主要風險及不確定性及本集團業務之可能未來發展跡象，載於本報告「主席報告」、「管理層討論及分析」及「環境、社會及管治報告」各節。此等討論構成「董事會報告」之一部分。

環境政策

本集團在日常業務營運中不斷推廣綠色措施和意識，以達到其保護環境的承諾。本集團鼓勵環保並推動僱員提升環保意識。本集團亦實施各項綠色辦公措施，例如提倡使用環保紙並透過關閉閒置的電燈及電器以減少能源消耗。

本集團不時審閱其環保工作，並將考慮於本集團之業務營運中實施更多環保措施及慣例，加強環境可持續性。

遵守相關法律及法規

年內，就本公司所知，本集團並無重大違反或不遵守適用法律及法規而對本集團之業務及營運造成重大影響。

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are its valuable assets. Thus the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with business partners to achieve its long-term goals. Accordingly, the Directors or senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in Note 27 to the consolidated financial statements.

SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 December 2018 are set out in Note 27 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in Note 28 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

In accordance with the laws of the Cayman Islands, the share premium account is distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2018, the Company had reserves available for distribution of approximately RMB5,985,853,000 (2017: approximately RMB36,978,000).

與持份者之關係

本公司認同，僱員乃其寶貴資產。因此，本集團提供具競爭力之薪酬待遇，以吸引並激勵僱員。本集團定期檢討僱員之薪酬待遇，並會因應市場標準而作出必要調整。

本集團亦明白，與商業夥伴保持良好商業關係對達成其長遠目標而言屬至關重要。因此，董事或高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享最新業務信息。年內，本集團與其商業夥伴並無重大而明顯之糾紛。

股本

年內，本公司股本之變動詳情載於綜合財務報表附註27。

本年度所發行股份

截至2018年12月31日止年度所發行股份詳情載於綜合財務報表附註27。

儲備

年內，本公司及本集團儲備變動詳情分別載於綜合財務報表附註28及綜合權益變動表。

可供分派儲備

根據開曼群島法例，如緊隨派息建議當日後本公司將有能力償還其日常業務過程中之到期債務，股份溢價賬便可分派予股東。於2018年12月31日，本公司可供分派儲備為約人民幣5,985,853,000元（2017年：約人民幣36,978,000元）。



Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

Under the Company's articles of association ("Articles") or the laws of the Cayman Islands, there is no provision for pre-emptive rights which would oblige the Company to offer new shares to its existing Shareholders first on a pro-rata basis.

FOUR-YEAR FINANCIAL SUMMARY

A summary of the published results and the assets and liabilities of the Group for the last four financial years as extracted from the audited consolidated financial statements of the Group is set out on page 300 of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CHARITABLE DONATIONS

During the year, the Group made charitable contributions of approximately RMB1,332,000.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. During the year, there was appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

物業、廠房及設備

年內，本集團物業、廠房及設備變動詳情載於綜合財務報表附註16。

優先認購權

根據本公司組織章程細則（「細則」）或開曼群島法律並無有關優先購股權的條款，規定本公司必須首先按比例向其現有股東發行新股份。

四年財務資料概要

本集團過往四個財政年度已公佈之業績、資產及負債概要（摘錄自本集團之經審核綜合財務報表）載於本報告第300頁。

購買、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

慈善捐款

年內，本集團作出之慈善捐款總額約為人民幣1,332,000元。

獲准許之彌償條文

根據細則，各董事有權從本公司的資產中獲得彌償，以彌償其作為董事在勝訴或無罪的任何民事或刑事法律訴訟中進行抗辯而招致或蒙受的一切損失或法律責任。年內，本集團董事及高級職員已獲妥當之董事及高級職員責任保險。

RETIREMENT SCHEMES

The Group's employees in the PRC participate in defined contribution schemes provided by the relevant provincial and municipal governments under which the Group and the employees in the PRC are required to make monthly contributions to these schemes in accordance with relevant requirements. The Group's subsidiaries in the PRC contribute funds to the pension in accordance with the requirements of the relevant provincial and municipal governments.

The Group has arranged the Hong Kong employees to join the Mandatory Provident Fund Scheme, a defined contribution scheme managed by an independent trustee whereby each of the Group (the employer) and the Hong Kong employees make monthly contributions to the scheme in accordance with the relevant legislation.

Details of the Group's contributions to the retirement benefit schemes are shown in Note 9 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as otherwise disclosed in this report, no equity-linked agreements were entered into by the Group, or subsisted during the year.

退休金計劃

本集團的中國僱員均參與根據有關省、市政府規定的界定供款計劃，本集團及其中國僱員均須按相關規定每月就該等計劃作出供款。本集團於中國的附屬公司按照有關省、市政府規定繳納養老保險。

本集團已安排其香港僱員參與強制性公積金計劃，乃由一獨立信託人管理之定額供款計劃。本集團（僱主）及其香港僱員均須按相關法例每月向該計劃作出供款。

本集團就退休金計劃的供款詳情載於綜合財務報表附註9。

股票掛鈎協議

除本報告所披露外，本集團於年內概無訂立或存在股票掛鈎協議。

Report of the Directors

董事會報告

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

The Shares were listed and commenced trading on the Main Board of the Stock Exchange on the Listing Date. The gross proceeds and net proceeds raised by the Company from the IPO amounted to approximately HK\$1,009.0 million and approximately HK\$988.3 million, respectively and an additional gross proceeds and net proceeds of approximately HK\$62.9 million and approximately HK\$61.3 million, respectively were raised from the allotment and issue of the Shares as a result of the partial exercise of the over-allotment option.

As at 31 December 2018, the proceeds were utilized consistent with that disclosed in the Prospectus in the manner set out below:

首次公開發售（「首次公開發售」）所得款項用途

股份於上市日期在聯交所主板上市及開始交易。本公司自首次公開發售籌集所得款項總額及淨額分別為約1,009.0百萬港元及約988.3百萬港元，並自因部分行使超額配股權而配發及發行超額配發股份收取額外所得款項總額及淨額分別為約62.9百萬港元及約61.3百萬港元。

截至2018年12月31日，上述所得款項已按照招股章程所列的用途，作如下使用：

| | % | Use of net proceeds from the IPO | | Amount utilized in 2018 | | Amount not yet utilized | | |
|---|------|----------------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-----------------------|
| | | 佔比 | 首次公開發售所得款項淨額 | | 2018年已動用款項 | | 未動用金額 | |
| | | | HK\$million 百萬港元 | RMB'million 人民幣百萬元 | HK\$million 百萬港元 | RMB'million 人民幣百萬元 | HK\$million 百萬港元 | RMB'million 人民幣百萬元 |
| User acquisition 獲取用戶 | 40% | 419.8 | 359.7 | 118.8 | 99.3 | 301.0 | 260.4 | |
| Enhancement of technology and risk management capabilities 技術及風險管理能力提升 | 30% | 314.9 | 269.8 | 89.1 | 74.5 | 225.8 | 195.3 | |
| Investment 投資 | 20% | 209.9 | 179.8 | – | – | 209.9 | 179.8 | |
| Working capital and other general corporate purposes 營運資金及其他一般企業用途 | 10% | 105.0 | 89.9 | 29.7 | 24.8 | 75.3 | 65.1 | |
| Total 合計 | 100% | 1,049.6 | 899.2 | 237.6 | 198.6 | 812.0 | 700.6 | |

There was no change in the intended use of proceeds as previously disclosed in the Prospectus.

所得款項的使用與先前招股章程所披露的一致。



MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

管理合約

年內並無訂立或存在與本集團整體或任何重要部分業務有關之管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the sales and purchase percentage from the major customers and suppliers of the Group are set out below:

主要客戶及供應商

年內，本集團主要客戶及供應商佔銷售額及採購額之百分比如下：

| | | Percentage of total sales 佔銷售總額百分比 |
|-------|---|--|
| <hr/> | | |
| (1) | Sales 銷售 | |
| | – the largest customer – 最大客戶 | 2.6% |
| | – the five largest customers (combined) – 五大客戶（合併） | 7.4% |
| <hr/> | | |
| | | Percentage of total purchases 佔採購總額百分比 |
| (2) | Purchases 採購 | |
| | – the largest supplier – 最大供應商 | 4.9% |
| | – the five largest supplier (combined) – 五大供應商（合併） | 12.7% |

As far as the Directors are aware, none of the Directors or any of their close associates, or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any beneficial interest in the Group's five largest customers and suppliers for the year.

據董事所知，董事或彼等之任何緊密聯繫人士或就董事所知擁有本公司已發行股份5%以上權益之任何股東，本年度概無於本集團五大客戶及供應商擁有任何實益權益。



Report of the Directors

董事會報告

DIRECTORS

The Directors during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. Sun Haitao (*Chairman and Chief Executive Officer*)

Mr. Yang Yuzhi (*Vice-president*)

Mr. Zhao Ke (*Chief Financial Officer*)

NON-EXECUTIVE DIRECTOR:

Ms. Zou Yunli

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Wong Ti (appointed on 27 February 2018)

Mr. Wang Zhaocheng (appointed on 27 February 2018)

Mr. Ye Xiang (appointed on 27 February 2018)

Mr. Sun Haitao, Mr. Yang Yuzhi, Mr. Zhao Ke, Ms. Zou Yunli, Mr. Wong Ti, Mr. Wang Zhaocheng and Mr. Ye Xiang will retire and, being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company (the "AGM").

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 26 to 32 of this report.

DIRECTORS' SERVICE CONTRACTS

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

董事

年內及直至本報告日期在任之董事如下：

執行董事：

孫海濤先生（主席兼行政總裁）

楊宇智先生（副總裁）

趙軻先生（首席財務官）

非執行董事：

鄒雲麗女士

獨立非執行董事：

汪棣先生（於2018年2月27日獲委任）

王朝成先生（於2018年2月27日獲委任）

葉翔先生（於2018年2月27日獲委任）

孫海濤先生、楊宇智先生、趙軻先生、鄒雲麗女士、汪棣先生、王朝成先生及葉翔先生將於本公司應屆股東週年大會（「股東週年大會」）上退任，惟合資格並願意膺選連任董事職務。

董事及高級管理層履歷

董事及本集團高級管理層之履歷詳情載於本報告第26至32頁。

董事之服務合約

擬於股東週年大會上重選連任之董事概無與本公司訂立本公司不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。



DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no transactions, arrangements or contracts of significance in relation to the Group's business to which any of the Company's subsidiaries and fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its 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 for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long Position in the Shares

| Name of Director | Capacity and nature of interest | Number of Shares | Approximate percentage of issued Shares |
|--|--|----------------------------|---|
| 董事姓名 | 身份及權益性質 | 股份數目 | 佔已發行股份之概約百分比 |
| Mr. Sun Haitao ("Mr. Sun") 孫海濤先生(「孫先生」) | Founder of a discretionary trust, who can affect the trustee how to exercise discretionary trust 可影響受託人如何行使其酌情權的酌情信託成立人 | 120,076,000 ⁽¹⁾ | 10.05% |
| | Others 其他 | 50,355,000 ⁽²⁾ | 4.22% |
| | Others 其他 | 387,756,522 ⁽³⁾ | 32.46% |
| | | 558,187,522 | 46.73% |

董事於交易、安排或合約之權益

除本報告所披露者外，年內任何時間不存在本公司任何附屬公司及同系附屬公司為訂約一方及董事或董事之關聯實體直接或間接於其中擁有重大權益並對本集團業務而言屬重要之交易、安排或合約。

董事及本公司最高行政人員於本公司或任何相聯法團的股份、相關股份及債券中擁有的權益及淡倉

於2018年12月31日，董事及本公司最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第352條須登記入所存置之登記冊之權益及淡倉，或根據聯交所證券上市規則（「上市規則」）附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

於股份之好倉



Report of the Directors

董事會報告

Notes:

- (1) Rising Sun Limited, which is the beneficial owner of the 120,076,000 Shares, is wholly-owned by Wukong Ltd. Wukong Ltd. is beneficially wholly-owned by Wukong Trust, which was established by Mr. Sun as the settlor. TMF (Cayman) Ltd. is the trustee of Wukong Trust. Mr. Sun, as the beneficiary of Wukong Trust, is taken to be interested in those Shares.
- (2) Rising Sun Limited entered into a limited partnership agreement with Tai Yong Holdings Ltd on 13 October 2017, as amended and restated on 17 November 2017 (the "**Limited Partnership Agreement**"), for the purpose of establishing 51 Xinhu L.P., a Cayman Islands exempted limited partnership and regulating the activities and operation of the partnership. Pursuant to the Limited Partnership Agreement, Rising Sun Limited serves as the general partner and Tai Yong Holdings Ltd serves as the limited partner. In addition, Rising Sun Limited has the power to exercise all voting rights on behalf of 51 Xinhu L.P. As 51 Xinhu L.P. is the beneficial owner of the 50,355,000 Shares, and by virtue of the SFO, Mr. Sun is deemed to be interested in the 50,355,000 Shares and the share capital of its associated corporation in which Rising Sun Limited is or is deemed to be interested.
- (3) The Company entered into a voting proxy agreement (the "**Voting Proxy Agreement**") with Rising Sun Limited, 51 Stock Limited, 51 Award Limited, Tiantu Investments Limited, Action Chain International Limited, MSK XF Holding Ltd, LF Alpha Ltd and Achieve Success Technology Development Limited (other than the Company, each, a "**Party to the Voting Proxy Agreement**", collectively, the "**Parties to the Voting Proxy Agreement**"). Pursuant to the Voting Proxy Agreement, Rising Sun Limited is entitled to exercise, in its sole discretion, all the voting powers associated with the 387,756,522 Shares on behalf of the Parties to the Voting Proxy Agreement on all matters submitted to a vote of Shareholders at any meeting of Shareholders. By virtue of the SFO, Mr. Sun is deemed to be interested in the 387,756,522 Shares and the share capital of its associated corporation in which Rising Sun Limited is or is deemed to be interested.

Save as disclosed above, as at 31 December 2018, none of the Directors and the chief executive of the Company had or deemed to have any interests or short positions in any shares, underlying shares and debentures of the Company or any of its 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.

附註:

- (1) 持有120,076,000股股份之實益擁有人Rising Sun Limited由Wukong Ltd.全資擁有。Wukong Ltd.由Wukong Trust (由孫先生作為財產授予人設立)實益全資擁有。TMF (Cayman) Ltd.為Wukong Trust的受託人。孫先生作為Wukong Trust的受益人擁有該等股份權益。
- (2) Rising Sun Limited與Tai Yong Holdings Ltd於2017年10月13日訂立有限合夥協議(於2017年11月17日修訂及重列)(「**有限合夥協議**」)以成立一家於開曼群島的獲豁免有限合夥公司51 Xinhu L.P.及規管該合夥公司的活動及營運。根據有限合夥協議, Rising Sun Limited為普通合夥人,而Tai Yong Holdings Ltd為有限合夥人;此外, Rising Sun Limited有權代表51 Xinhu L.P.行使所有投票權。由於51 Xinhu L.P.為50,355,000股股份的實益擁有人,及根據證券及期貨條例的規定,孫先生因Rising Sun Limited持有或被視為擁有的權益中被視為於50,355,000股股份及其相聯法團股本權益中擁有權益。
- (3) 本公司與Rising Sun Limited、51 Stock Limited、51 Award Limited、天圖投資有限公司、Action Chain International Limited、MSK XF Holding Ltd、LF Alpha Ltd及Achieve Success Technology Development Limited(除本公司外,各自為「**投票委託協議訂約方**」,及統稱「**投票委託協議各訂約方**」)訂立投票委託協議(「**投票委託協議**」)。根據投票委託協議, Rising Sun Limited將有權代表投票委託協議各訂約方就於任何股東大會上提呈予股東投票的所有事宜全權酌情行使與387,756,522股股份相關的所有投票權。根據證券及期貨條例的規定,孫先生因Rising Sun Limited持有或被視為擁有的權益中被視為於387,756,522股股份及其相聯法團股本權益中擁有權益。

除上文所披露者外,於2018年12月31日,概無董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份及債券中,擁有或被視為擁有根據證券及期貨條例第352條須登記入所存置之登記冊之任何權益或淡倉,或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Report of the Directors

董事會報告



Long Position in Shares of Associated Corporation

於相聯法團股份之好倉

| Name of Director | Name of associated corporation | Capacity and nature of interest | Number of shares | Approximate percentage of issued shares |
|------------------|--|---|------------------------------|---|
| 董事姓名 | 相聯法團名稱 | 身份及權益性質 | 股份數目 | 佔已發行股份之概約百分比 |
| Mr. Sun 孫先生 | China Netcom Technology Holdings Limited ⁽¹⁾ 中彩網通控股有限公司 ⁽¹⁾ | Interest in controlled corporation 於受控制法團之權益 | 1,834,963,213 ⁽²⁾ | 39.28% |

Notes:

附註:

(1) The shares of China Netcom Technology Holdings Limited are listed on GEM of the Stock Exchange (stock code: 8071).

(1) 中彩網通控股有限公司的股份於聯交所GEM上市(股份代號: 8071)。

(2) These shares are directly held by 5IRENPIN.COM INC. 5IRENPIN.COM INC. is wholly-owned by 上海悟牛網絡科技有限公司 (transliterated as Shanghai Wuniu Network Technology Company Limited), which is in turn wholly-owned by Hangzhou Enniu. Mr. Sun is indirectly interested in approximately 26.94% of the equity interest in Hangzhou Enniu. Further, contractual arrangements (as defined below) are entered into between 杭州振牛信息科技有限公司 (transliterated as Hangzhou Zhenniu Information Technology Co., Ltd.) ("Hangzhou Zhenniu") (a company wholly-owned by 5I Credit Card (China) Limited, which is in turn wholly-owned by the Company and ultimately controlled by Mr. Sun) and Hangzhou Enniu so that Hangzhou Zhenniu can control Hangzhou Enniu. By virtue of the SFO, Mr. Sun is deemed to be interested in those shares held by 5IRENPIN.COM INC.

(2) 該等股份由5IRENPIN.COM INC.直接持有。5IRENPIN.COM INC.由上海悟牛網絡科技有限公司全資擁有。上海悟牛則由杭州恩牛全資擁有。孫先生於杭州恩牛約26.94%股權中擁有間接權益。此外，杭州振牛信息科技有限公司(「杭州振牛」)(由5I信用卡(中國)有限公司全資擁有，而該公司由本公司全資擁有及由孫先生最終控制)與杭州恩牛已訂立合約安排(定義見下文)，故杭州振牛能控制杭州恩牛。根據證券及期貨條例，孫先生被視為擁有5IRENPIN.COM INC.所持該等股份權益。

Report of the Directors

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2018, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had or deemed to have an interest or a short position in the shares, underlying shares and debentures of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

主要股東於本公司的股份、相關股份及債券中擁有的權益及淡倉

於2018年12月31日，就董事所知，以下人士或實體（董事或本公司最高行政人員除外）於本公司股份、相關股份及債券中擁有或被視為擁有根據證券及期貨條例第336條規定須登記入本公司須存置之登記冊之權益或淡倉，或根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或淡倉：

| Name(s) | Capacity and nature of interests | Number of Shares directly or indirectly held and category ⁽⁷⁾ 直接或間接持有的股份數目及類別 ⁽⁷⁾ | Approximate percentage of issued Shares 佔已發行股份之概約百分比 |
|--|---|--|---|
| 名稱 | 身份及權益性質 | | |
| Wong Wei ⁽¹⁾ 黃偉 ⁽¹⁾ | Interest in controlled corporation 於受控制法團之權益 | 260,686,000 (L) | 21.83% |
| Li Ping ⁽²⁾ 李萍 ⁽²⁾ | Interest of spouse 配偶權益 | 260,686,000 (L) | 21.83% |
| Zhejiang Xinhua Group Co., Ltd. ^{(3)*} 浙江新湖集團股份有限公司 ^{(3)*} | Interest in controlled corporation 於受控制法團之權益 | 260,686,000 (L) | 21.83% |
| Xinhua Zhongbao Co., Ltd. ^{(3)*} 新湖中寶股份有限公司 ⁽³⁾ | Interest in controlled corporation 於受控制法團之權益 | 260,686,000 (L) | 21.83% |
| Hong Kong Xinhua Investment Co., Limited ⁽³⁾ 香港新湖投資有限公司 ⁽³⁾ | Interest in controlled corporation 於受控制法團之權益 | 260,686,000 (L) | 21.83% |
| Taichang Investment Limited ⁽³⁾ | Beneficial owner 實益擁有人 | 109,217,000 (L) | 9.14% |
| Tai Shun Holdings Ltd. ⁽³⁾ | Beneficial owner 實益擁有人 | 101,114,000 (L) | 8.47% |
| TMF (Cayman) Ltd. ⁽⁴⁾ | Trustee 受託人 | 558,187,522 (L) | 46.73% |

Report of the Directors

董事會報告



| Name(s) | Capacity and nature of interests | Number of Shares directly or indirectly held and category ⁽⁷⁾ 直接或間接持有的股份數目及類別 ⁽⁷⁾ | Approximate percentage of issued Shares 佔已發行股份之概約百分比 |
|---|---|--|---|
| 名稱 | 身份及權益性質 | | |
| Wukong Ltd. ⁽⁴⁾ | Interest in controlled corporation 於受控制法團之權益 | 120,076,000 (L) | 10.05% |
| | Other 其他 | 50,355,000 (L) | 4.22% |
| | Other 其他 | 387,756,522 (L) | 32.46% |
| | | 558,187,522 (L) | 46.73% |
| Rising Sun Limited ⁽⁴⁾ | Beneficial owner 實益擁有人 | 120,076,000 (L) | 10.05% |
| | Other 其他 | 50,355,000 (L) | 4.22% |
| | Other 其他 | 387,756,522 (L) | 32.46% |
| | | 558,187,522 (L) | 46.73% |
| Wang Yonghua ⁽⁵⁾ 王永華 ⁽⁵⁾ | Interest in controlled corporation 於受控制法團之權益 | 95,328,000 (L) | 7.98% |
| | Interest in controlled corporation 於受控制法團之權益 | 3,195,000 (L) | 0.27% |
| | | 98,523,000 (L) | 8.25% |
| Tian Tu Capital Co., Ltd. ^{(5)*} 深圳市天圖投資管理股份有限公司 ⁽⁵⁾ | Interest in controlled corporation 於受控制法團之權益 | 95,328,000 (L) | 7.98% |
| Tiantu Advisory Company Limited ⁽⁵⁾ 天圖諮詢有限公司 ⁽⁵⁾ | Interest in controlled corporation 於受控制法團之權益 | 95,328,000 (L) | 7.98% |
| Tiantu Investments Limited ⁽⁵⁾ 天圖投資有限公司 ⁽⁵⁾ | Beneficial owner 實益擁有人 | 95,328,000 (L) | 7.98% |

Report of the Directors

董事會報告

| Name(s) | Capacity and nature of interests | Number of Shares directly or indirectly held and category ⁽⁷⁾ 直接或間接持有的股份數目及類別 ⁽⁷⁾ | Approximate percentage of issued Shares 佔已發行股份之概約百分比 |
|---|--|--|---|
| 名稱 | 身份及權益性質 | | |
| Vistra Trust (Hong Kong) Limited ⁽⁶⁾ | Trustee 受託人 | 214,401,522 (L) | 17.95% |
| 51 Stock Limited ⁽⁶⁾ | Beneficial owner 實益擁有人 | 112,341,261 (L) | 9.41% |
| 51 Award Limited ⁽⁶⁾ | Beneficial owner 實益擁有人 | 102,060,261 (L) | 8.54% |
| UBS Group AG ^{(5) (7)} | Person having a security interest in shares 持有股份的保證權益 | 95,328,000 (L) | 7.98% |
| | Interest in controlled corporation 於受控制的法團之權益 | 68,000 (L) | 0.01% |
| | | 95,396,000 (L) | 7.99% |

* (The English name(s) has/have been transliterated from its/their respective Chinese name(s) and is/are for identification only.)

Notes:

附註:

- | | |
|--|---|
| <p>(1) Zhejiang Xinhua Group Co., Ltd. ("Zhejiang Xinhua") is held as to 67.22% by Mr. Wong Wei. By virtue of the SFO, Mr. Wong Wei is deemed to be interested in the Shares in which Zhejiang Xinhua is deemed to be interested. For details of Zhejiang Xinhua's deemed interests, please refer to note (3) below.</p> | <p>(1) 黃偉先生持有浙江新湖集團股份有限公司(「浙江新湖」) 67.22%權益。根據證券及期貨條例，黃偉先生因浙江新湖被視為擁有的權益中被視為於股份中擁有權益。有關浙江新湖被視為擁有權益的詳情，請參閱下文附註(3)。</p> |
| <p>(2) Ms. Li Ping is the spouse of Mr. Wong Wei, and thus is deemed to be interested in the Shares in which Mr. Wong Wei is deemed to be interested.</p> | <p>(2) 李萍女士為黃偉先生的配偶，故被視為擁有黃偉先生被視為擁有權益的股份權益。</p> |



- (3) 109,217,000 Shares and 101,114,000 Shares are directly held by Taichang Investment Limited and Tai Shun Holdings Ltd, respectively. Taichang Investment Limited and Tai Shun Holdings Ltd both are wholly-owned by Hong Kong Xinqu Investment Co., Limited, which in turn is wholly-owned by Xinqu Zhongbao Co., Ltd. ("Xinqu Zhongbao"). Xinqu Zhongbao is deemed to be controlled by Zhejiang Xinqu under the SFO. Therefore, under the SFO, each of Hong Kong Xinqu Investment Co., Limited, Xinqu Zhongbao and Zhejiang Xinqu is deemed to be interested in the Shares in which each of Taichang Investment Limited and Tai Shun Holdings Ltd is deemed to be interested. 50,355,000 Shares are directly held by 51 Xinqu LP, which is wholly-owned by Tai Yong Holdings Ltd. Tai Yong Holdings Ltd is wholly-owned by Hong Kong Xinqu Investment Co., Limited, which in turn is wholly-owned by Xinqu Zhongbao. Xinqu Zhongbao is deemed to be controlled by Zhejiang Xinqu under the SFO. Therefore, under the SFO, each of Tai Yong Holdings Ltd, Hong Kong Xinqu Investment Co., Limited, Xinqu Zhongbao and Zhejiang Xinqu is deemed to be interested in the Shares held by 51 Xinqu LP.
- (4) Same as the interests as disclosed in notes (1) to (3) in the section headed "Interests and Short Positions of Directors and Chief Executive of the Company in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporations" above.
- (5) 95,328,000 Shares are directly held by Tiantu Investments Limited and held in custody by UBS Group AG. Tiantu Investments Limited is wholly-owned by Tiantu Advisory Company Limited, which is in turn wholly-owned by 深圳市天圖投資管理股份有限公司 (transliterated as Tian Tu Capital Co., Ltd. ("Tian Tu Capital")). Mr. Wang Yonghua holds 59.80% shareholding interest in Tian Tu Capital. Therefore, under the SFO, each of Tiantu Advisory Company Limited, Tian Tu Capital and Mr. Wang Yonghua is deemed to be interested in the Shares held by Tiantu Investments Limited. 3,195,000 Shares are directly held by Tiantu China Consumer Fund I, LP, and Mr. Wang Yonghua through Merry Win Investments Limited and Tiantu GP I Limited controls Tiantu China Consumer Fund I, LP. Therefore, under the SFO, Mr. Wang Yonghua is deemed to be interested in the Shares held by Tiantu China Consumer Fund I, LP.
- (6) Vistra Trust (Hong Kong) Limited is the trustee and each of 51 Stock Limited and 51 Award Limited is the nominee to administer the RSU Schemes (as defined below). Each of 51 Stock Limited and 51 Award Limited holds the Shares underlying the RSUs granted by the Company for the benefit of eligible participants pursuant to the RSU Schemes.
- (7) 95,328,000 Shares mentioned in above note (5) are directly held by Tiantu Investments Limited, and held in custody by UBS Group AG. 68,000 Shares are directly held by UBS AG which is wholly-owned by UBS Group AG. Therefore, under the SFO, UBS Group AG is deemed to be interested in the Shares held by UBS AG.
- (8) (L) –Long position, (S) –Short position
- (3) 109,217,000股及101,114,000股分別由Taichang Investment Limited及Tai Shun Holdings Ltd直接持有。Taichang Investment Limited及Tai Shun Holdings Ltd均由香港新湖投資有限公司全資擁有，而香港新湖投資有限公司由新湖中寶股份有限公司（「新湖中寶」）全資擁有。根據證券及期貨條例，新湖中寶被視為受浙江新湖控制。因此，根據證券及期貨條例，香港新湖投資有限公司、新湖中寶及浙江新湖各自被視為於Taichang Investment Limited及Tai Shun Holdings Ltd分別持有的股份中擁有權益。50,355,000股由51 Xinqu LP直接持有，而51 Xinqu LP由Tai Yong Holdings Ltd全資擁有。Tai Yong Holdings Ltd由香港新湖投資有限公司全資擁有，而香港新湖投資有限公司由新湖中寶全資擁有。根據證券及期貨條例，新湖中寶被視為受浙江新湖控制。因此，根據證券及期貨條例，Tai Yong Holdings Ltd、香港新湖投資有限公司、新湖中寶及浙江新湖均被視為於51 Xinqu LP持有的股份中擁有權益。
- (4) 與上文「董事及本公司最高行政人員於本公司或任何相聯法團的股份、相關股份及債券中擁有的權益及淡倉」一節內的附註(1)至(3)所披露之權益相同。
- (5) 95,328,000股由天圖投資有限公司直接持有，並由UBS Group AG 託管。天圖投資有限公司（由天圖諮詢有限公司全資擁有，而天圖諮詢有限公司則由深圳市天圖投資管理股份有限公司（「深圳天圖」）全資擁有。王永華先生持有深圳天圖59.80%股權。因此，根據證券及期貨條例，天圖諮詢有限公司、深圳天圖及王永華先生各自被視為於天圖投資有限公司持有的股份中擁有權益。3,195,000股由Tiantu China Consumer Fund I, LP 直接持有，而王永華先生透過Merry Win Investments Limited及Tiantu GP I Limited控制Tiantu China Consumer Fund I, LP。因此，根據證券及期貨條例，王永華先生被視為於Tiantu China Consumer Fund I, LP持有的股份中擁有權益。
- (6) Vistra Trust (Hong Kong) Limited為受託人，而51 Stock Limited及51 Award Limited則各自為管理受限制股份單位計劃的代名人。51 Stock Limited及51 Award Limited各自為合資格參與者的利益持有由本公司根據受限制股份單位計劃授出的受限制股份單位涉及的相關股份。
- (7) 上述附註(5)之95,328,000股由天圖投資有限公司直接持有，並由UBS Group AG 託管。68,000股由UBS Group AG全資擁有的UBS AG直接持有。因此，根據證券及期貨條例，UBS Group AG被視為於UBS AG持有的股份中擁有權益。
- (8) (L) –好倉，(S) –淡倉



Report of the Directors

董事會報告

Save as disclosed above, to the best knowledge of the Directors, as at 31 December 2018, no person (other than the Directors or chief executive of the Company) had or was deemed to have interests or short positions in the Shares which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO, or were required to be disclosed to the Company under the provisions of Divisions 2 and 3 and Part XV of the SFO.

RESTRICTED SHARE UNIT (“RSU”) SCHEMES

Summary

The Company has adopted the 51 Stock Scheme and the 51 Award Scheme (collectively, the “Schemes”) by a resolution of the Board on 20 November 2017. The Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as the RSU Schemes do not involve the grant of options by the Company to subscribe for new Shares.

Purpose

The purpose of the Schemes is to recognize and reward the participants (as detailed in “Participants” below) of each of the Schemes for their contribution to the Group, to attract suitable personnel, and to provide incentives to them to remain with and further contribute to the Group.

除上文所披露者外，就董事所知，於2018年12月31日，概無人士（董事或本公司最高行政人員除外）於股份中擁有或被視為擁有根據證券及期貨條例第336條規定須登記入本公司須存置之登記冊之權益或淡倉，或根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或淡倉。

受限制股份單位計劃

概要

本公司已根據董事會於2017年11月20日的決議案採納51股份計劃及51獎勵計劃（統稱「該等計劃」）。該等計劃並不受限於上市規則第十七章的條文，因為受限制股份單位計劃並不涉及由本公司授出可認購新股份的購股權。

目的

該等計劃的目的為確認及獎勵該等計劃各自的參與者（詳情見下方「參與者」部分）對本集團所作出的貢獻、吸引合適人才以及為讓他們對本集團維持及作出進一步貢獻而提供鼓勵。

Award

Each of the awards of RSUs under the 51 Stock Scheme (together with the awards of RSUs under the 51 Award Scheme, referred to as the “Award(s)”) gives a participant an option, and an Award of RSUs under the 51 Award Scheme gives a participant an entitlement, upon vesting of the Award to obtain either Shares (in case of the 51 Stock Scheme only) or an equivalent value in cash with reference to the market value of the Shares less any tax, fees, levies, stamp duty and other applicable charges. An Award may include, if so specified by the 51 Stock RSU Administration Committee and the 51 Award RSU Administration Committee (each as the “RSU Committee”) in their entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests.

Limit

Unless otherwise duly approved by the Shareholders, the total number of Shares underlying the 51 Stock Scheme shall not exceed 112,341,261 Shares and the total number of Shares underlying the 51 Award Scheme shall not exceed 102,060,261 Shares (excluding Shares underlying RSUs that have lapsed or been cancelled in accordance with the Schemes). The Company will not further issue new Shares for the purpose of the Schemes.

Grants

As at 31 December 2018, 102,795,660 and 65,122,150 Shares underlying RSUs were granted to participants under the 51 Stock Scheme and the 51 Award Scheme, representing approximately 8.6% and 5.5% of the issued Shares, respectively. As at 31 December 2018, 9,545,601 and 36,938,111 Shares underlying RSUs remained outstanding under the 51 Stock Scheme and the 51 Award Scheme, respectively.

獎勵

51 股份計劃下受限制股份單位的獎勵（與下述 51 獎勵計劃下受限制股份單位的獎勵統稱「獎勵」）賦予參與者一項選擇權，而 51 獎勵計劃下受限制股份單位的獎勵則賦予參與者一項權益，令其在歸屬獎勵時可獲取股份或參考股份的市場價值的等值現金，扣除任何稅項、費用、徵費、印花稅及其他適用收費。倘 51 Stock RSU 管理委員會及 51 Award RSU 管理委員會（各自為「RSU 委員會」）全權酌情指明，則獎勵可包括自獎勵授出日期起至其歸屬日期就該等股份的現金及非現金收入、股息或分派及／或非現金及非實物分派的銷售所得款項。

限制

除非股東另行妥為批准，51 股份計劃項下股份總數不得超過 112,341,261 股，而 51 獎勵計劃項下股份總數不得超過 102,060,261 股（上述股數不包括根據該等計劃已告失效或被註銷的受限制股份單位相關股份）。本公司將不會就該等計劃進一步發行新股份。

授出情況

於 2018 年 12 月 31 日，102,795,660 股及 65,122,150 股受限制股份單位相關股份分別根據 51 股份計劃及 51 獎勵計劃授出予各自的參與者，各佔已發行股份約 8.6% 及 5.5%。於 2018 年 12 月 31 日，51 股份計劃及 51 獎勵計劃項下分別 9,545,601 股及 36,938,111 股受限制股份單位相關股份尚未授出。



Report of the Directors

董事會報告

Participants

Participants of the 51 Stock Scheme include:

- (i) any member of senior management of the Group; or
- (ii) any person who, in the sole opinion of the RSU Committee, has contributed or will contribute to any member of the Group (including business partners of any member of the Group, such as suppliers, customers or any persons who provide technical support, consultancy, advisory or other services to any member of the Group), as may be specifically identified by the RSU Committee.

Participants of the 51 Award Scheme include:

- (i) any employees of the Group; or
- (ii) any person who, in the sole opinion of the RSU Committee, has contributed or will contribute to any member of the Group (including business partners of any member of the Group, such as suppliers, customers or any persons who provide technical support, consultancy, advisory or other services to any member of the Group), as may be specifically identified by the RSU Committee.

參與者

51 股份計劃的參與者包括：

- (i) 本集團的任何高級管理層成員；或
- (ii) 由RSU委員會全權酌情認為曾為或將為本集團任何成員公司作出貢獻的任何人士（包括本集團任何成員公司的業務夥伴，例如供應商、客戶或向本集團任何成員公司提供技術支援、諮詢、建議或其他服務的任何人士）（如RSU委員會可能特定識別）。

51 獎勵計劃的參與者包括：

- (i) 本集團的任何僱員；或
- (ii) 由RSU委員會全權酌情認為曾為或將為本集團任何成員公司作出貢獻的任何人士（包括本集團任何成員公司的業務夥伴，例如供應商、客戶或向本集團任何成員公司提供技術支援、諮詢、建議或其他服務的任何人士）（如RSU委員會可能特定識別）。

Term

Subject to any early termination as may be determined by the Board pursuant to the termination clauses of the Schemes, the Schemes shall be valid and effective for a period of 10 years commencing on the date of adoption (i.e., 20 November 2017), after which no Awards will be granted, but the provisions of the Schemes shall in all other respects remain in full force and effect and the Awards granted during the terms of the Schemes may continue to be valid and exercisable in accordance with their terms of grant.

RSU Trustee

The Company has appointed Vistra Trust (Hong Kong) Limited, a trustee service provider and an independent third party, to administer the granting and vesting of RSUs granted to the grantees pursuant to the Schemes.

Rights attached to Awards

The RSUs under the 51 Stock Scheme do not carry any right to vote at general meetings of the Company. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the 51 Stock Scheme, unless and until such Shares underlying the Award are actually transferred to the grantee upon the vesting of the RSU provided that the grantee, his wholly-owned entity or any such trust arrangement as directed by him shall enter into an agreement in writing with Mr. Sun delegating the voting rights attached to such Shares by proxy to Mr. Sun or his delegated entity(ies). Unless otherwise specified by the RSU Committee in its entire discretion in the notice of grant, the grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and nonscrip distributions from any Shares underlying an Award.

Similarly, the RSUs under the 51 Award Scheme do not carry any right to vote at general meetings of the Company. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the RSU Schemes. Unless otherwise specified by the RSU Committee in its entire discretion in the notice of grant, the grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and nonscrip distributions from any Shares underlying an Award.

期限

受限於董事會根據該等計劃的終止條款可能決定提早終止，該等計劃將自採納日期（即2017年11月20日）起生效，為期十年，而於期滿後將不會授出任何獎勵，但該等計劃的條文在所有其他方面仍具有十足效力及作用，而於該等的期限內授出的獎勵可根據其授出條款繼續維持有效及可行使。

受限制股份單位受託人

本公司已委任Vistra Trust (Hong Kong) Limited（一家信託服務供應商及獨立第三方）以管理根據該等計劃授出及歸屬向承授人授出的受限制股份單位。

獎勵附帶的權利

51股份計劃下受限制股份單位並無附帶任何可於本公司股東大會上投票的權利。倘承授人、其全資擁有的實體或其指示的任何該等信託安排須與孫先生訂立協議，將透過委任代表於相關股份附帶的投票權授權予孫先生或其獲授權實體，除非及直至該等與獎勵相關的股份於受限制股份單位歸屬時實際轉讓予承授人，否則並無承授人因根據51股份計劃授出獎勵而享有股東的任何權利。另外，除非RSU委員會於授出通知中全權酌情決定指明，否則承授人並無任何權利享有來自與獎勵相關的任何股份的任何現金或非現金收入、股息或分派及／或非現金及非實物分派的出售所得款項。

51獎勵計劃下受限制股份單位同樣並無附帶任何可於本公司股東大會上投票的權利。並無承授人因根據受限制股份單位計劃授出獎勵而享有股東的任何權利。另外，除非RSU委員會於授出通知中全權酌情決定指明，否則承授人並無任何權利享有來自與獎勵相關的任何股份的任何現金或非現金收入、股息或分派及／或非現金及非實物分派的出售所得款項。



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Rights attached to Shares (in case of the 51 Stock Scheme only)

Any Shares to be transferred to a grantee or his wholly-owned entity upon the vesting of RSUs granted pursuant to the 51 Stock Scheme shall be subject to all the provisions of the Articles and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date of transfer; or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section "CONNECTED AND RELATED PARTY TRANSACTIONS" in this report, at no time during the year and at the end of the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other subsidiaries.

CONTRACT OF SIGNIFICANCE

During the period from the Listing Date to 31 December 2018, the Group did not enter into any contract of significance with its controlling Shareholders or any of its subsidiaries.

During the period from the Listing Date to 31 December 2018, no contract of significance for the provision of services to the Group by a controlling Shareholder or any of its subsidiaries was made.

FUTURE PLAN FOR MATERIAL INVESTMENTS

The Group currently has no plan to make any significant investment but will continue to seek potential investment opportunities according to the Group's development needs.

股份所附帶的權利 (只適用於51股份計劃)

於根據51股份計劃授出的受限制股份單位獲歸屬後，轉讓予承授人或其全資擁有實體的任何股份須受細則的所有條文所規限，及在所有方面與於轉讓日期（或倘本公司於該日暫停辦理股份過戶登記手續，則為再開始辦理股份過戶登記手續的首日）的現有繳足已發行股份享有同等地位，且有關股份的持有人就此應有權參與於轉讓日期或之後派付或作出的所有股息或其他分派。

購買股份或債券的安排

除本報告「關連及關聯方交易」一節所披露者外，於本年度任何時間內及年底，本公司或其任何控股公司、附屬公司或同系附屬公司概無參與訂立任何安排，以使董事可藉購入本公司或任何其他附屬公司的股份或債權證而取得利益。

重大合約

自上市日期起至2018年12月31日止期間內，本集團並無與其控股股東或其任何附屬公司訂立任何重大合約。

自上市日期起至2018年12月31日止期間內，控股股東或其任何附屬公司概無就向本集團提供服務訂立任何重大合約。

未來重大投資計劃

本集團目前並無重大投資計劃，惟會根據本集團的發展需要繼續尋求潛在投資機會。

CONNECTED AND RELATED PARTY TRANSACTIONS

In order to maintain and exercise control over the PRC Operating Entities (as defined below), the Company has entered into the Contractual Arrangements (as defined below). The Contractual Arrangements allow the Company to obtain substantially all of the economic benefits of PRC Operating Entities and consolidate their results of operations into the Group's. For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the PRC Operating Entities will be treated as the Company's wholly-owned subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates will be treated as the Company's "connected persons". The related party transactions that did not constitute connected transactions under the Listing Rules were disclosed in Note 34 to the consolidated financial statements.

Hence, the transactions carried out under the Contractual Arrangements during the period from the Listing Date to 31 December 2018 constituted continuing connected transactions of the Company. As the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, the transactions are only subject to the reporting and annual review under Chapter 14A of the Listing Rules. Further details of the waiver are set out in the sections headed "Waivers from Strict Compliance with the Listing Rules" and "Connected Transactions – B. Non-exempt Continuing Connected Transactions" in the Prospectus.

Further details of Contractual Arrangements are set out in the section "Contractual Arrangements" of this report.

關連及關聯方交易

為維持及行使對中國營運實體（定義見下文）的控制權，本公司已訂立合約安排（定義見下文）。合約安排讓本公司可取得中國營運實體的絕大部分經濟利益及將其經營業績合併入本集團。就上市規則第14A章而言，及尤其是「關連人士」的定義，中國營運實體將被視為本公司的全資附屬公司，及彼等的董事、主要行政人員或主要股東（定義見上市規則）及彼等各自的聯繫人將被視為本公司的「關連人士」。並無構成上市規則所定義之關連交易之關聯方交易載於綜合財務報表附註34。

因此，自上市日期起至2018年12月31日止期間之合約安排項下進行的交易構成本公司的持續關連交易。由於本公司已向聯交所申請且聯交所已批准本公司根據上市規則第14A.105條規定就合約安排的相關交易豁免嚴格遵守上市規則第14A章的公告、通函及獨立股東批准規定，該等交易只須遵守上市規則第14A章下的申報及年度審核規定。更多豁免詳情請參閱招股章程「豁免嚴格遵守上市規則」及「關連交易—B. 不獲豁免的持續關連交易」一節。

合約安排進一步詳情請參閱本報告「合約安排」一節。



Report of the Directors

董事會報告

CONTRACTUAL ARRANGEMENTS

From the Listing Date to 31 December 2018, there are no major issues arising from the implementation and performance of the Contractual Arrangements (as defined below) that needed to be reviewed by the Board nor are there any matters relating to compliance and regulatory enquiries from governmental authorities that needed to be discussed.

Overview

Pursuant to the Provisions on the Administration of Foreign-funded Telecommunications Enterprises and its amendments from time to time, foreign investors' capital contribution to a value-added telecommunications services provider shall not exceed 50%. Pursuant to the Catalogue of Industries for Guiding Foreign Investment (2017 revision), value-added telecommunications services are subject to foreign investment restriction in which a foreign investor shall hold no more than 50% equity interest in a value-added telecommunications services provider (excluding e-commerce) in the PRC (the "Foreign Investment Restrictions"). The operation of mobile Apps and the provision of online information services (the "Relevant Businesses") of the Group are subject to the Foreign Investment Restrictions. In order to conduct the Relevant Businesses, the PRC Operating Entities (as defined below) are required to hold the Value-added Telecommunication Service Operating Permit for Internet Information Services (the "ICP License").

合約安排

自上市日期起至2018年12月31日，概無因合約安排（定義見下文）的實施及執行而產生的重大事宜須由董事會進行審閱或無與合規及政府機關監管問詢有關的事項須作討論。

總覽

根據2001年頒布的《外商投資電信企業管理規定》及其不時的修訂，外國投資者佔增值電信服務提供商的出資比例不得超過50%。根據《外商投資產業指導目錄》（2017年修訂），增值電信服務受到外商投資限制，外國投資者不得持有中國增值電信服務提供商（不包括電子商務）超過50%股權（「外資投資限制」）。本集團運營手機應用及提供網絡信息服務（「相關業務」）需遵守外資投資限制。中國營運實體（定義見下文）開展相關業務須持有線上資訊服務增值電信服務許可證（「ICP許可證」）。

Hangzhou Zhenniu is an indirect wholly-owned PRC subsidiary of the Company.

Hangzhou Enniu was jointly held by domestic enterprises such as Pingxiang Jiniu Assets Management Partnership (Limited Partnership) (萍鄉紀牛資產管理合夥企業(有限合夥)), Xihu Zhongbao and Shenzhen Tiantu Xingbang Investment Enterprise (Limited Partnership) (深圳天圖興邦投資企業(有限合夥)). Hangzhou Enniu has obtained the ICP License.

Structured Contract

Hangzhou Zhenniu entered into: (1) the Exclusive Business Cooperation Agreement with Hangzhou Enniu in November 2017, then amended and renewed the same in December 2017; and further entered into: (2) the Exclusive Option Agreement; (3) the Equity Pledge Agreement; and (4) the Powers of Attorney and supporting documents (collectively referred to as the “**Structured Contract**”) with Hangzhou Enniu and domestic enterprises such as Pingxiang Jiniu Assets Management Partnership (Limited Partnership) (萍鄉紀牛資產管理合夥企業(有限合夥)), Xihu Zhongbao and Shenzhen Tiantu Xingbang Investment Enterprise (Limited Partnership) (深圳天圖興邦投資企業(有限合夥)) (the “**Nominee Shareholders**”) to enable the Group to obtain the power and ability to control the business of Hangzhou Enniu and acquire economic benefits (the “**Contractual Arrangements**”).

杭州振牛為本公司的間接全資中國附屬公司。

杭州恩牛由萍鄉紀牛資產管理合夥企業(有限合夥)、新湖中寶、深圳天圖興邦投資企業(有限合夥)等境內主體共同持有。杭州恩牛已取得ICP許可證。

結構性合約

杭州振牛於2017年11月與杭州恩牛訂立並於2017年12月修訂並重簽：(1)獨家業務合作協議；及與杭州恩牛及萍鄉紀牛資產管理合夥企業(有限合夥)、新湖中寶、深圳天圖興邦投資企業(有限合夥)等境內主體(「**代理人股東**」)進一步訂立：(2)獨家購買權協議；(3)股權質押協議；及(4)股東表決權委託協議及配套文件(統稱「**結構性合約**」)以讓本集團獲得控制杭州恩牛業務的權力及能力及取得經濟利益(「**合約安排**」)。



Report of the Directors

董事會報告

a. Exclusive Option Agreement

Hangzhou Enniu and the Nominee Shareholders, entered into the exclusive option agreement with Hangzhou Zhenniu in December 2017 (the “**Exclusive Option Agreement**”), pursuant to which the Nominee Shareholders agree to grant to Hangzhou Zhenniu (or the Company or any subsidiary of the Company, the “**Designee**”) an irrevocable and exclusive option to acquire or purchase from the Nominee Shareholders and/or Hangzhou Enniu all or any part of their equity interests in and/or assets of Hangzhou Enniu at a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. In compliance with the regulations and requirements of the PRC laws, the Nominee Shareholders and/or Hangzhou Enniu shall return any amount of purchase price they have received to Hangzhou Zhenniu. At Hangzhou Zhenniu’s request, the Nominee Shareholders and/or Hangzhou Enniu will promptly and unconditionally transfer their respective equity interests in and/or assets of Hangzhou Enniu to Hangzhou Zhenniu (or its Designee) after Hangzhou Zhenniu exercises its purchase right.

In order to prevent the flow of the assets and value of Hangzhou Enniu and its subsidiaries (the “**PRC Operating Entities**”) to the Nominee Shareholders, during the term of the Exclusive Option Agreement, Hangzhou Enniu shall not, and shall procure its subsidiaries not to, sell, transfer, mortgage or otherwise dispose of any of its assets without the prior written consent of Hangzhou Zhenniu. In addition, Hangzhou Enniu shall not, and shall procure its subsidiaries not to, make any distributions to its shareholder(s) without the prior written consent of Hangzhou Zhenniu. In the event that the Nominee Shareholders receive any distribution from Hangzhou Enniu and/or its subsidiaries and subject to the PRC laws, the Nominee Shareholders must immediately pay or transfer such distribution to Hangzhou Zhenniu (or its Designee). If Hangzhou Zhenniu exercises its purchase right, all or any part of the equity interests in and/or assets of Hangzhou Enniu acquired would be transferred to Hangzhou Zhenniu and the benefits of equity ownership and/or assets, as applicable, would flow to the Company and the Shareholders.

The Exclusive Option Agreement is for an initial term of 10 years and is automatically renewable upon expiry unless Hangzhou Zhenniu confirms a new renewal term in writing.

a. 獨家購買權協議

杭州恩牛、代理人股東與杭州振牛於2017年12月訂立獨家購買權協議（「**獨家購買權協議**」），據此，代理人股東同意向杭州振牛（或本公司或本公司任何附屬公司「**指定人士**」）授出不可撤回及獨家選擇權，可按名義價從代理人股東及／或杭州恩牛收購或購買其於杭州恩牛的全部或任何部分股權及／或資產，除非有關政府機關或中國法律要求使用另一金額作為購買價，則採用該要求下的最低金額作為購買價。在符合當時中國法律的規定和要求的前提下，代理人股東及／或杭州恩牛須將彼等已收取的任何購買價款項退還予杭州振牛。應杭州振牛的要求，於杭州振牛行使其購買權後，代理人股東及／或杭州恩牛將立即且無條件轉讓彼等各自於杭州恩牛的股權及／或資產予杭州振牛（或其指定人士）。

為防止杭州恩牛及其附屬公司（「**中國營運實體**」）的資產及價值流向代理人股東，在獨家購買權協議的期限內，倘未經杭州振牛事先書面同意，杭州恩牛不得並須促使其附屬公司不得出售、轉讓、抵押或以其他方式處置其任何資產。此外，倘未經杭州振牛事先書面同意，杭州恩牛不得並須促使其附屬公司不得向其股東作出任何分派。倘代理人股東接獲杭州恩牛及／或其附屬公司的任何分派，在中國法律規限的情況下，代理人股東則必須立即支付或轉讓有關分派予杭州振牛（或其指定人士）。倘杭州振牛行使其購買權，所收購的杭州恩牛全部或任何部分股權及／或資產將轉讓予杭州振牛，且股本所有權及／或資產（視乎情況而定）的利益應歸屬本公司及股東所有。

獨家購買權協議的初始期限為十年，並於到期時自動續期，除非杭州振牛以書面方式確認新的續約期限。

b. Exclusive Business Cooperation Agreement

Hangzhou Enniu and its subsidiaries entered into the exclusive business cooperation agreement with Hangzhou Zhenniu in December 2017 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which Hangzhou Enniu agreed to engage Hangzhou Zhenniu and its designated persons as the exclusive provider to the PRC Operating Entities of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment, leasing, marketing consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to Hangzhou Zhenniu’s adjustment, are equal to all of the net profit of the PRC Operating Entities. Hangzhou Zhenniu may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of the PRC Operating Entities from previous financial periods, which will be wired to the designated account of Hangzhou Zhenniu upon issuance of payment notification by Hangzhou Zhenniu. Hangzhou Zhenniu enjoys all the economic benefits derived from the businesses of the PRC Operating Entities and bears Hangzhou Enniu’s business risks. If Hangzhou Enniu runs into financial deficit or suffers severe operation difficulties, Hangzhou Zhenniu will provide financial support to Hangzhou Enniu.

The Exclusive Business Cooperation Agreement is for an initial term of 10 years and is automatically renewable upon expiry unless Hangzhou Zhenniu confirms a new renewal term in writing.

b. 獨家業務合作協議

杭州恩牛及其附屬公司與杭州振牛於2017年12月訂立獨家業務合作協議（「**獨家業務合作協議**」），據此，杭州恩牛同意聘請杭州振牛及其指定人士為中國營運實體的業務支援、技術及諮詢服務（包括技術服務、網絡支援、業務諮詢、知識產權許可、設備、租賃、營銷顧問、系統整合、產品研發及系統維護）的獨家供應商，並支付服務費以換取服務。根據該等安排，服務費（可由杭州振牛調整）相等於中國營運實體的全部淨利潤。杭州振牛在考慮若干因素後可全權調整服務費，包括但不限於經扣除與各財政年度有關的所需成本、開支、稅項及其他法定供款，亦可包括中國營運實體於過往財政期間的累計虧損，該等服務費將於杭州振牛發出付款通知後電匯至杭州振牛的指定賬戶。杭州振牛享有中國營運實體各項業務所產生的全部經濟利益，並承擔杭州恩牛的業務風險。倘杭州恩牛出現財政赤字，或遭受嚴重的營運困難，杭州振牛將向杭州恩牛提供財政支援。

獨家業務合作協議初步為期十年，並於到期時自動續期，除非杭州振牛以書面方式確認新的續約期限。



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c. Share Pledge Agreement

Hangzhou Enniu and the Nominee Shareholders and Hangzhou Zhenniu entered into the share pledge agreement in December 2017 (the “Share Pledge Agreement”). Under the Share Pledge Agreement, the Nominee Shareholders pledged all of their respective equity interests in Hangzhou Enniu to Hangzhou Zhenniu as collateral security for any or all of their payments due to Hangzhou Zhenniu and to secure performance of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Powers of Attorney (as defined below). The Share Pledge Agreement will not terminate until (i) all obligations of Hangzhou Enniu and the Nominee Shareholders are satisfied in full; (ii) Hangzhou Zhenniu exercises its exclusive option to purchase the entire equity interests of the Nominee Shareholders in Hangzhou Enniu and/or the entire assets of Hangzhou Enniu pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws and regulations; (iii) Hangzhou Zhenniu exercises its unilateral and unconditional right of termination; or (iv) the agreement is required to be terminated in accordance with applicable PRC laws and regulations. In addition, under the Exclusive Option Agreement, none of the Nominee Shareholders may transfer or permit the encumbrance of any of their equity interests in and assets of Hangzhou Enniu (including any equity interests in and assets of the subsidiaries of Hangzhou Enniu) without Hangzhou Zhenniu's prior written consent. The Share Pledge Agreement will be terminated when all the said obligations of the Nominee Shareholders contemplated under the Contractual Arrangements are fulfilled or terminated in accordance with the requirement of the relevant applicable laws and regulations of the PRC.

c. 股份質押協議

杭州恩牛及代理人股東與杭州振牛於2017年12月訂立股份質押協議（「股份質押協議」）。根據股份質押協議，代理人股東已向杭州振牛質押彼等各自於杭州恩牛的全部股權，作為彼等支付結欠杭州振牛的任何或所有款項及確保彼等履行於獨家業務合作協議、獨家購買權協議及股東表決權委託協議（定義見下文）項下的責任。股份質押協議將不會終止，直至(i)杭州恩牛及代理人股東的所有責任均已全面履行；(ii)杭州振牛在適用中國法律及法規允許的情況下根據獨家購買權協議的條款行使其獨家購買權以購買代理人股東於杭州恩牛的全部股權及／或杭州恩牛的全部資產；(iii)杭州振牛行使單方面及無條件終止權；或(iv)該協議根據適用中國法律及法規須予以終止。此外，根據獨家購買權協議，未經杭州振牛事先書面同意，代理人股東不得轉讓其於杭州恩牛的任何股權及資產（包括於杭州恩牛附屬公司的任何股權及資產）或准許就有關股權及資產設置產權負擔。股份質押協議將於前述合約安排項下代理人股東所有責任達成後終止或依照有關適用的中國法律和法規的要求終止時終止。

d. Powers of Attorney

An irrevocable power of attorney was entered into between the Nominee Shareholders, Hangzhou Zhenniu and Hangzhou Enniu in December 2017 (the “**Powers of Attorney**”), whereby the Nominee Shareholders appointed Hangzhou Zhenniu or, according to the instruction of Hangzhou Zhenniu, a director of its offshore holding company or a liquidator or a successor who are acting the function of those directors as their exclusive agent and attorney to act on their behalf on all matters concerning Hangzhou Enniu and to exercise all of its rights as a Nominee Shareholders of Hangzhou Enniu.

Save as disclosed above, there were no other new Contractual Arrangements entered into, renewed and/or reproduced between Group and PRC Operating Entities and/or Nominee Shareholders during the year ended 31 December 2018. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended 31 December 2018.

Save for the Exclusive Business Cooperation Agreement which involves the payment of a service fee by Hangzhou Enniu to Hangzhou Zhenniu, and the nominal purchase consideration to be paid by Hangzhou Zhenniu to the Nominee Shareholders under the Exclusive Option Agreement, the Contractual Arrangements do not involve payment of any consideration.

The Structured Contract, taken as a whole, permit the results and financial operations of Hangzhou Enniu to be consolidated into the Group, as if it were the Company’s subsidiary resulting in all economic benefits of its business flowing to the Company. Through the appointment of senior management of Hangzhou Enniu, the Company believes that Hangzhou Zhenniu is able to effectively supervise, manage and operate the business operations, expansion plans, financial policies and assets of Hangzhou Enniu, and at the same time, ensure due implementation of the Structured Contract.

d. 股東表決權委託協議

代理人股東、杭州振牛及杭州恩牛於2017年12月訂立不可撤銷的股東表決權委託協議（「**股東表決權委託協議**」），據此，代理人股東委任杭州振牛或根據杭州振牛的指示委任其離岸控股公司的一名董事以及代行該等董事職責的清盤人或其他繼任人為彼等的獨家代理及授權代表，以代表彼等就與杭州恩牛相關的所有事項行事及行使其作為杭州恩牛代理人股東的所有權利。

除上文披露者外，本集團與中國營運實體及／或代理人股東於截至2018年12月31日止年度並無訂立、重續及／或複製任何其他新合約安排。於截至2018年12月31日止年度，合約安排及／或據以採用合約安排的情況並無發生重大變動。

除獨家業務合作協議涉及杭州恩牛向杭州振牛支付服務費，以及杭州振牛根據獨家購買權協議需支付予代理人股東的名義購買價外，各合約安排不涉及支付任何代價。

整體而言，結構性合約讓杭州恩牛之業績及財務營運綜合計入本集團，猶如其為本公司之附屬公司，以致其業務所得所有經濟利益流入本公司。本公司認為，透過指派杭州恩牛之高級管理層，杭州振牛有能力有效監控、管理及經營杭州恩牛之業務營運、擴充計劃、財務政策及資產，此舉同時亦確保結構性合約獲得妥善落實。



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The Structured Contract enables the Company to exercise control over and receives economic benefits generated from the business operation of Hangzhou Enniu. The validity and legality of the Structured Contract has been confirmed by the PRC legal advisor. The Company is of the view that it is fair and reasonable for Hangzhou Zhenniu to be entitled to all the economic benefits generated from Hangzhou Enniu. The Structured Contract also permits Hangzhou Zhenniu to exclusively acquire all or part of the equity interest in Hangzhou Enniu, to the extent permitted by the PRC laws and regulations. Notwithstanding the Group's lack of equity ownership in Hangzhou Enniu, the Group is able to control the business and financial position of Hangzhou Enniu in substance through the Structured Contract. As a result of the Contractual Arrangements, Hangzhou Enniu is accounted for as the Company's subsidiary, and its financial position and operating results being consolidated into the Company's consolidated financial statements.

The revenue and net loss for the year ended 31 December 2018 and net deficit of Hangzhou Enniu as at 31 December 2018, pursuant to the Contractual Arrangements, amounted to approximately RMB1,124.2 million, approximately RMB105.0 million and approximately RMB1,462.0 million, respectively.

Reasons for Adopting the Contractual Arrangements

As a company directly held by foreign shareholders is not allowed to engage in the Internet business in which Hangzhou Enniu is engaged, the Contractual Arrangements are adopted by the Group. The 51 Credit Card Manager App which is developed and owned by Hangzhou Enniu acts as the major channel through which the Group approaches its users and conducts business. Hangzhou Enniu presents information to specific users by connecting 51 Credit Card Manager App to its cooperating Internet platforms, thereby providing credit card management service and other related service to potential users. Therefore, the Contractual Arrangements are crucial to the Group.

The Company will keep exploring various opportunities in building up its ICP services operations for the purposes of being qualified as early as possible, to acquire the entire equity interest of Hangzhou Enniu if and when the Foreign Investment Restrictions are lifted.

結構性合約讓本公司可對杭州恩牛行使控制權並取其業務營運所得經濟利益。結構性合約已經中國法律顧問確認為有效及合法。本公司認為，讓杭州振牛享有杭州恩牛產生的所有經濟利益實屬公平合理。在中國法律及法規允許的情況下，結構性合約亦讓杭州振牛可獨家收購杭州恩牛全部或部分股權。雖然本集團未持有杭州恩牛之股本權益，惟本集團可透過結構性合約享有對杭州恩牛業務及財務狀況的實際控制權。由於合約安排，杭州恩牛作為本公司附屬公司列賬，其財務狀況及經營業績綜合計入本公司綜合財務報表。

根據合約安排，杭州恩牛截至2018年12月31日止年度的收入及虧損淨額及於2018年12月31日的虧絀淨值分別為約人民幣1,124.2百萬元、約人民幣105.0百萬元及約人民幣1,462.0百萬元。

採用合約安排的理由

由於外資股東直接持股的公司未獲准從事杭州恩牛所從事的互聯網業務，所以本集團採用合約安排。杭州恩牛開發並擁有的51信用卡管家應用是本集團獲取用戶並開展業務的重要途徑。杭州恩牛通過將51信用卡管家應用接入合作的互聯網平台向特定互聯網用戶展示信息，為有需求的用戶提供信用卡管理服務並提供相關其他服務。因此，合約安排對本集團尤其重要。

本公司將繼續探索不同機會拓展ICP服務營運，力求盡快取得資格，於外資投資限制解除後收購杭州恩牛全部股權。

Risk Factors Related to Contractual Arrangements and Actions to be Taken

Certain risks related to Contractual Arrangements, including:

1. if the PRC government deems that the Contractual Arrangements in relation to the PRC Operating Entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations;
2. if the imposition of any of these penalties or requirement to restructure our corporate structure by the PRC government causes us to lose the rights to direct the activities of the PRC Operating Entities or our right to receive their economic benefits, we would no longer be able to consolidate the financial results of the PRC Operating Entities in our consolidated financial statements;
3. we could face material and adverse tax consequences if the PRC tax authorities determine that our Contractual Arrangements with the PRC Operating Entities were not made on an arm's length basis and adjust our income and expenses for PRC tax purposes by requiring a transfer pricing adjustment;
4. the Nominee Shareholders of the PRC Operating Entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial position;

與合約安排有關的風險及採取的行動

存在與合約安排有關的若干風險，包括：

1. 倘中國政府認為有關中國營運實體的合約安排不符合中國有關外商投資相關行業的監管限制，或倘該等法規或現有的法規的解釋日後發生變動，則我們可能面臨嚴重處罰或被迫撤出於該等業務的權益；
2. 倘中國政府施加處罰或要求重組公司架構使得我們失去指導中國營運實體活動的權利或收取其經濟利益的權利，則我們將不再能夠將中國營運實體的財務業績在我們的綜合財務報表中綜合入賬；
3. 倘中國稅務機關確定我們與中國營運實體之間的合約安排並非按公平基準訂立，並通過要求轉讓定價調整而就中國稅項目的調整我們的收入及開支，則我們可能面臨重大不利的稅務結果；
4. 中國營運實體的代理人股東可能與我們存在潛在利益衝突，這可能會對我們的業務及財務狀況產生重大不利影響；



Report of the Directors

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5. if any of the PRC Operating Entities become subject to winding up or liquidation proceedings, we may lose the ability to use and enjoy certain important assets held by the PRC Operating Entities; and
6. substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the draft PRC Foreign Investment Law may materially and adversely affect our business and financial position.

Please refer to the section “Risk Factors – Risks Relating to Our Corporate Structure” on pages 85 to 93 of the Prospectus for further details regarding such risks.

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements, including:

1. major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
2. the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
3. the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of Hangzhou Enniu and the PRC Operating Entities to deal with specific issues or matters arising from the Contractual Arrangements.

5. 倘任何中國營運實體須進行清盤或清算程序，我們可能無法使用及享有由我們的中國營運實體持有的若干重要資產；及
6. 《中華人民共和國外國投資法（草案）》的制定時間表、詮釋及執行可能對我們的業務及財務狀況的影響存在很大不確定性。

有關該等風險的進一步詳情載於招股章程第85至93頁「風險因素-與我們公司架構有關的風險」一節。

本集團已採取以下措施，確保本集團於合約安排實施後能有效運行及遵守合約安排，包括：

1. 實施及遵守合約安排過程中出現的重大問題或政府機關的任何監管查詢將於發生時提交董事會審視及討論（倘必要）；
2. 董事會將至少每年審閱一次合約安排的整體履行及合規情況；
3. 本公司將聘請外部法律顧問或其他專業顧問（倘必要），協助董事會審視合約安排的實施、審視杭州恩牛及中國營運實體處理合約安排產生的特別問題或事宜的法律合規情況。

Listing Rules Implications and Waivers from the Stock Exchange

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon Listing as some of the Nominee Shareholders of Hangzhou Enniu are connected persons of the Company. The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the legal structure and business operations of the Group, that such transactions have been and will be entered into in ordinary and usual course of business, are on normal commercial terms or better and the terms are fair and reasonable and in the interests of the Group and Shareholders as a whole.

The Directors also believe that our structure, whereby the financial results of Hangzhou Enniu are consolidated into our financial statements as if they were the Company's wholly-owned subsidiaries, and all the economic benefits of their business flows to the Group, places the Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to the Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

In addition, given the Contractual Arrangements were entered into prior to the Listing and are disclosed in the Prospectus, and potential investors of the Company will participate in the IPO on the basis of such disclosure, the Directors consider that compliance with the announcement and the independent Shareholders' approval requirements in respect thereof immediately after Listing would add unnecessary administrative costs to the Company.

上市規則涵義及聯交所豁免

杭州恩牛之部分代理人股東為本公司關連人士，根據上市規則，合約安排項下擬進行的交易於上市後構成本公司的持續關連交易。與合約安排有關的交易根據上市規則的最高適用百分比率（利潤率除外）預計超過5%，因此，該等交易須遵守上市規則第14A章下的申報、年度審核、公告及獨立股東批准規定。

董事（包括獨立非執行董事）認為合約安排及其相關交易對本集團法律結構與業務的至關重要，該等交易過去一直而今後也將繼續在本集團日常及一般業務過程中按照正常或更好的商業條款訂立，屬公平合理，且符合本集團及股東的整體利益。

董事亦相信，我們的架構（其中杭州恩牛的財務業績合併計入我們的財務報表，猶如該等實體為本公司的全資附屬公司，且其業務的所有經濟利益均流向本集團）使本集團就關連交易規則而言處於一個特殊位置。因此，儘管合約安排項下擬進行交易技術上而言構成上市規則第14A章下的持續關連交易，但董事認為就合約安排項下所有擬進行交易嚴格遵守上市規則第14A章所載（其中包括）公告及獨立股東批准等規定，將對本公司而言屬過度繁重及不切實際，並為本公司增加不必要的行政成本。

此外，鑒於合約安排乃於上市前訂立並於招股章程內披露，且本公司的潛在投資者將在相關披露的基礎上參與首次公開發售，董事認為，緊隨上市後就該等合約安排遵守公告及獨立股東批准規定將為本公司增加不必要的行政成本。



Report of the Directors

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In view of the abovementioned reasons, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as Shares are listed on the Stock Exchange subject however to the following conditions:

- (a) no change to the Contractual Arrangements without independent non-executive Directors' approval;
- (b) no change to the Structured Contract without independent Shareholders' approval;
- (c) the Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the PRC Operating Entities;
- (d) on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on the one hand, and the PRC Operating Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and
- (e) the Group will disclose details relating to the Contractual Arrangements on an on-going basis.

基於上述原因，我們已向聯交所申請且聯交所已批准於股份在聯交所上市期間，(i)根據上市規則第14A.105條規定就合約安排的相關交易豁免嚴格遵守上市規則第14A章的公告、通函及獨立股東批准規定；(ii)豁免嚴格遵守上市規則第14A.53條就合約安排的相關交易訂立年度上限的規定；及(iii)豁免嚴格遵守上市規則第14A.52條有關合約安排有效期限定為三年或以內的規定，惟須受以下條件規限：

- (a) 未經獨立非執行董事批准不得變更合約安排；
- (b) 未經獨立股東批准不得變更結構性合約；
- (c) 合約安排將繼續讓本集團收取源於中國營運實體的經濟利益；
- (d) 在合約安排就本公司及其直接控股附屬公司與中國營運實體之間的關係提供可接受框架的前提下，可於現有安排到期後，或就本集團認為可提供業務便利時可能有意成立的從事與本集團相同業務的任何現有或新外商獨資企業或營運公司（包括分公司），按照與現有合約安排大致相同的條款與條件，重續及／或複製該框架，而毋須取得股東批准；及
- (e) 本集團將持續披露有關合約安排的詳情。

Annual Review by the Independent Non-Executive Directors and the Auditor

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

- (a) the transactions carried out during the year ended 31 December 2018 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;
- (b) no dividends or other distributions had been made by the PRC Operating Entities to the holders of its equity interests which were not otherwise subsequently assigned or transferred to the Group;
- (c) no new contracts had been entered into, renewed and/or reproduced between the Group and the PRC Operating Entities during the year ended 31 December 2018; and
- (d) the Contractual Arrangements had been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The auditor has confirmed in a letter to the Board that the transactions carried out pursuant to the Contractual Arrangements for the period from the Listing Date to 31 December 2018 had received the approval of the Board, had been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that no dividends or other distributions had been declared by the PRC Operating Entities to the holders of its equity interests which were not otherwise subsequently assigned or transferred to the Group.

COMPETITION AND CONFLICT OF INTERESTS

Save and except for the interests of controlling Shareholders in the Company, its subsidiaries and the PRC Operating Entities, controlling Shareholders and Directors confirmed that during the year under review, they did not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules.

獨立非執行董事及核數師作出的年度審閱

獨立非執行董事已審閱合約安排並確認：

- (a) 於截至2018年12月31日止年度進行的交易乃遵照合約安排相關條文而訂立；
- (b) 中國營運實體並未向其股本權益持有人派發且其後亦未另行轉撥或轉讓給本集團的任何股息或其他分派；
- (c) 本集團與中國營運實體於截至2018年12月31日止年度並無訂立、重續及／或複製任何新合約；及
- (d) 合約安排已於本集團的一般及日常業務過程中按正常商業條款訂立，屬公平合理，且符合本集團及股東的整體利益。

核數師已於致董事會函件中確認，於自上市日期起至2018年12月31日止期間根據合約安排進行的交易已獲董事會批准，並已遵照合約安排相關條文而訂立，而中國營運實體並未向股本權益持有人派發且其後亦未另行轉撥或轉讓給本集團的任何股息或其他分派。

競爭及利益權益

除控股股東於本公司、其附屬公司及中國營運實體的權益外，控股股東及董事確認彼等於回顧年度概無於與本集團的業務存在或可能存在競爭的業務（本集團的業務除外）中擁有任何可能須根據上市規則第8.10條予以披露的權益。



Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares was at all times held by the public from the Listing Date and up to the date of this report. The Company has maintained a sufficient public float in compliance with Rule 8.08 of the Listing Rules.

CORPORATE GOVERNANCE

A detailed report on corporate governance is set out on pages 67 to 86 in this report.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company for the subsequent year is to be proposed at the AGM.

By order of the Board

51 Credit Card Inc.

Sun Haitao

Chairman, Chief Executive Officer and Executive Director

26 March 2019

充足公眾持股量

根據本公司從公開途徑所得之資料及就董事所知，公眾人士自上市日期起至本報告刊發日期一直持有本公司已發行股份總額不少於25%。本公司一直維持充足公眾持股量以符合上市規則第8.08條之規定。

企業管治

詳述企業管治之報告載於本報告第67至86頁。

核數師

本集團截至2018年12月31日止年度之綜合財務報表由羅兵咸永道會計師事務所審核。一項續聘羅兵咸永道會計師事務所為本公司下屆核數師之決議案將於股東週年大會上提呈。

承董事會命

51信用卡有限公司

主席、行政總裁兼執行董事

孫海濤

2019年3月26日



Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board strives to attain and maintain high standards of corporate governance in order to safeguard the interests of the Shareholders and to enhance corporate value and accountability. In addition, the Group is also committed to continuously improving its corporate governance practices.

Throughout the period from the listing of the Company on the Main Board of the Stock Exchange on Listing Date to 31 December 2018, the Company has applied and complied with all the code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules, with one exception set out as follows.

Code Provision A.2.1 (Separation of the Roles of Chairman and Chief Executive Officer)

Mr. Sun acts as the chairman, executive Director and chief executive officer of the Company. While this will constitute a deviation from Code Provision A.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of seven Directors, which is more than the Listing Rules requirement of one-third, and the Board believes there is sufficient check and balance in the Board; (ii) Mr. Sun and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

企業管治常規

董事會致力達到及維持高標準的企業管治，以保護股東的權益和提高公司價值和問責度。此外，本集團承諾不斷改善其企業管治常規。

自本公司於上市日期在聯交所主板上市至2018年12月31日止期間內，本公司已應用及遵守上市規則附錄十四所載的企業管治守則及企業管治報告（「企業管治守則」）內所有守則條文，惟以下所述者除外。

守則條文第A.2.1條（區分主席及行政總裁的角色）

孫先生擔任本公司的主席、執行董事兼行政總裁。儘管這會偏離企業管治守則的守則條文A.2.1，但董事會認為此結構將不會損害董事會與本公司管理層之間的權力平衡，原因為：(i)董事會所作決定至少需要大多數董事批准，及董事會由七名董事中的三名獨立非執行董事組成，超過上市規則規定的三分之一，因此董事會認為董事會內部有足夠的制衡作用；(ii)孫先生及其他董事意識到並承諾履行董事的誠信責任，這要求（其中包括）其為本公司利益及以本公司最佳利益行事，並將相應為本集團作出決定；及(iii)權力平衡乃以董事會運作加以保障，而董事會由經驗豐富的優秀人員組成，該等成員定期開會討論影響本公司經營的事宜。此外，本集團整體戰略及其他關鍵業務、財務及經營政策乃於董事會及高級管理層全面討論後共同作出。董事會將繼續審視本集團企業管治架構的有效性，以評估將主席及行政總裁職務分開是否屬必要。



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Going forward, while Mr. Sun as the founder will continue to play a crucial role in steering the development and operation of the Group as a whole, and as the business operation expands, the Company will present the key decisions for approval by the Board in accordance with the requirements of the Listing Rules, the Articles and the laws of the Cayman Islands.

THE BOARD

Board Composition

As at 31 December 2018, the Board consisted of seven Directors, including three executive Directors, Mr. Sun Haitao (chairman and chief executive officer), Mr. Yang Yuzhi and Mr. Zhao Ke; one non-executive Director, Ms. Zou Yunli; and three independent non-executive Directors, Mr. Wong Ti, Mr. Wang Zhaocheng and Mr. Ye Xiang. The biographical details of the Directors are set out under the section headed "Biographical Details of Directors and Senior Management" of this report.

During the period from the Listing Date to 31 December 2018, the Company has three independent non-executive Directors representing more than one-third of the Board with one independent non-executive Director possessing the appropriate professional accounting or relevant financial management expertise as required under Rule 3.10 of the Listing Rules.

As at the date of this report, to the best knowledge of the Board, save as disclosed in this report, there is no financial, business or family relationship among members of the Board or the chief executives.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that all of them are independent.

日後，孫先生將作為創辦人繼續在引導本集團整體的發展及營運方面發揮關鍵作用，隨著業務營運擴大，本公司將根據上市規則、細則及開曼群島法律的規定提呈關鍵決策供董事會批准。

董事會

董事會組成

於2018年12月31日，董事會由七名董事組成，包括三名執行董事孫海濤先生（主席兼行政總裁）、楊宇智先生及趙軻先生；一名非執行董事鄒雲麗女士；以及三名獨立非執行董事汪棣先生、王朝成先生及葉翔先生。董事的履歷詳情載於本報告「董事及高級管理層履歷詳情」一節。

自上市日期起至2018年12月31日止期間，本公司有三名獨立非執行董事，佔董事會成員人數多於三分之一，而其中一名獨立非執行董事具有適當的專業會計或相關財務管理專業知識，符合上市規則第3.10條規定。

於本報告日期，就董事會所知，除已於本報告披露外，董事會各成員間或主要行政人員間並無財政、業務或家族關係。

本公司已收到各獨立非執行董事根據上市規則第3.13條出具的年度獨立性確認函，並認為該等董事均具獨立性。



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Directors' Training and Continuous Professional Development

Directors participate in appropriate continuous professional trainings to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company sends timely updates and reading materials to all Directors relating to the Listing Rules, the SFO, and relevant statutory and regulatory guidelines on obligations and duties of a director of a listed company. According to the records provided by the Directors and maintained by the Company, the training received by the Directors during the period from the Listing Date to 31 December 2018 is summarised as follows:

董事培訓及持續專業發展

董事參與適當的持續專業培訓，以拓展並更新彼等知識及技能，確保彼等在獲得全面資訊及切合所需的情況下對董事會作出貢獻。本公司會及時向所有董事發送最新資訊及閱讀資料，內容有關上市規則、證券及期貨條例以及涉及上市公司董事義務及責任之相關法定和監管準則。根據董事提供及本公司置存的記錄，董事自上市日期起至2018年12月31日止期間所接受的培訓概述如下：

| Name of Directors 董事名稱 | Directors' duties 董事職責 | Legal and regulatory updates 法律及監管更新 | Business updates 業務更新 | Corporate governance 企業管治 |
|--|---------------------------|--|--------------------------|---------------------------------|
| Executive Directors 執行董事 | | | | |
| Mr. Sun Haitao 孫海濤先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Mr. Yang Yuzhi 楊宇智先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Mr. Zhao Ke 趙軻先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Non-executive Director 非執行董事 | | | | |
| Ms. Zou Yunli 鄒雲麗女士 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Independent Non-executive Directors 獨立非執行董事 | | | | |
| Mr. Wong Ti 汪棣先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Mr. Wang Zhaocheng 王朝成先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |
| Mr. Ye Xiang 葉翔先生 | Yes 有 | Yes 有 | Yes 有 | Yes 有 |

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Board and Committees Meetings

During the period from the Listing Date to 31 December 2018, the Company held two Board meetings in total. At least fourteen days' advance notice is given for all regular Board meetings to give all Directors an opportunity to attend and to include matters for discussion in the agenda. All Directors are provided with meeting agenda and board papers at least three days before the meetings. The Directors have access to the management for enquiries and to obtain further information, and when required, seek independent professional advice at the Company's expense. Minutes of meetings are kept by the company secretary. Since the Listing Date, all Directors have been provided with monthly updates by the Company to ensure they are informed of the Group's performance, financial position and significant business developments and to facilitate them to discharge their duties as Directors.

The attendance records of Directors at Board and committees meetings during the period from the Listing Date to 31 December 2018 are set out as follows:

董事會及委員會會議

自上市日期起至2018年12月31日止期間，本公司共舉行了兩次董事會會議。董事會所有定期會議均提前最少十四天通知，讓所有董事皆有機會騰空出席，並提出將予商討的事項以供列入議程之內。所有董事於會議前至少三天會獲發會議議程及董事會文件。董事可向管理層查詢並獲取進一步資料，且於有需要時諮詢獨立專業意見，有關費用由本公司支付。會議記錄由公司秘書備存。自上市日期起，本公司向所有董事每月發送更新資料，以確保彼等知悉本集團的表現、財務狀況及重大業務發展，並有助彼等履行董事的職務。

董事於自上市日期起至2018年12月31日止期間出席董事會及董事委員會會議的記錄載列如下：

| Name of Directors 董事名稱 | Attendance/Number of meetings entitled to attend 出席次數／有權出席會議數目 | | | |
|--|---|------------------------------------|---|---|
| | Board Meeting 董事會會議 | Audit Committee Meeting 審核委員會會議 | Nomination Committee Meeting 提名委員會會議 | Remuneration Committee Meeting 薪酬委員會會議 |
| Executive Directors 執行董事 | | | | |
| Mr. Sun Haitao 孫海濤先生 | 2/2 | - | 0/0 | 0/0 |
| Mr. Yang Yuzhi 楊宇智先生 | 2/2 | - | - | - |
| Mr. Zhao Ke 趙軻先生 | 2/2 | - | - | - |
| Non-executive Director 非執行董事 | | | | |
| Ms. Zou Yunli 鄒雲麗女士 | 2/2 | 2/2 | - | - |
| Independent Non-executive Directors 獨立非執行董事 | | | | |
| Mr. Wong Ti 汪棣先生 | 2/2 | 2/2 | - | - |
| Mr. Wang Zhaocheng 王朝成先生 | 2/2 | 2/2 | 0/0 | 0/0 |
| Mr. Ye Xiang 葉翔先生 | 2/2 | - | 0/0 | 0/0 |



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During the period from the Listing Date to 31 December 2018, the Board held only two regular meetings, which fell short of four times as set out in code provision A.1.1 of the CG Code as the listing of the shares of Company only took place in the second half of 2018.

During the period from the Listing Date to 31 December 2018, no general meeting was held by the Company.

Responsibility of the Board and Delegation of Management Function

The Board has overall responsibility for the stewardship of the Group, including the responsibilities for the adoption of long-term strategies and appointment and supervision of senior management to ensure that the operation of the Group is conducted in accordance with the objective of the Group. Execution of daily operational matters is delegated to the management.

Appointment and Election of Directors

All executive Directors and non-executive Director have entered into service contracts with the Company for a term of three years. In addition, all independent non-executive Directors have entered into letters of appointment with the Company for a term of one year. In accordance with the Articles, all Directors are subject to retirement by rotation at least once every three years at the annual general meeting. Any new Directors appointed by the Board either to fill a casual vacancy or as an addition to the Board are subject to re-election by the Shareholders at the next general meeting of the Company. At each annual general meeting, at least one-third of the Directors shall retire from office. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

The Board, with support of the nomination committee, is responsible for developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and assessing the independence of independent non-executive Directors.

All Directors will retire at the AGM to be held in May 2019. The retiring Directors, being eligible, offer themselves for re-election. There is no cumulative voting in Director elections. The election of each candidate is done through a separate resolution. Details with respect to the candidates standing for election as Directors are set out in the annual general meeting circular to Shareholders.

自上市日期至2018年12月31日止期間，董事會僅舉行兩次常規會議，少於企業管治守則A.1.1所規定的四次，因本公司股份於2018年下半年方上市。

自上市日期起至2018年12月31日止期間，本公司概無舉行股東大會。

董事會的責任及管理職能的授權

董事會負有管理本集團之整體責任，包括負責採納長期策略以及委任及監督高級管理層，以確保本集團之運作按本集團之目標而進行。日常營運事項之執行授權予管理層處理。

董事委任及選舉

所有執行董事及非執行董事已與本公司訂立服務協議，任期為三年。此外，所有獨立非執行董事均已與本公司訂立任命書，任期為一年。根據細則，所有董事須至少每三年於股東週年大會上輪值退任。任何由董事會委任以填補臨時空缺或新增為董事會成員的新董事，須於下屆本公司股東大會上經股東重選。於每屆股東週年大會上，至少三分之一之董事須輪值退任。將退任的董事將任職至其退任的會議結束為止，並且有資格膺選連任。

在提名委員會的協助下，董事會負責訂立及制定提名及委任董事的相關程序、監察董事的委任及評估獨立非執行董事的獨立性。

全體董事將於2019年5月舉行的股東週年大會上退任。退任董事皆符合資格，並願意膺選連任。董事選舉概無累積投票。每名候選人的選舉均以一項獨立決議案進行。參選董事之候選人的詳情載於致股東之股東週年大會通函內。



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Directors' Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry with all Directors and all Directors confirmed that they have complied with the Model Code during the period from the Listing Date to 31 December 2018.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover in respect of legal actions taken against its Directors and officers. The insurance coverage will be reviewed on an annual basis to ensure that the Directors and officers are adequately protected against potential legal liabilities.

BOARD COMMITTEES

Audit Committee

The main responsibilities of the audit committee include (but not limited to) supervising the annual auditing work, assessing the truthfulness, accuracy and completeness of the audited financial statements and submitting the assessment to the Board for consideration; proposing the engagement or change of external auditor and supervising their performance; reviewing and evaluating the financial supervising system and internal audit system of the Company; discussing the internal control system with management to ensure that management has performed its duty to have an effective internal control system; and reviewing the financial information of the Company and its disclosure. The audit committee consists of three members, of whom Mr. Wong Ti (independent non-executive Director) is the chairman, and other members are Mr. Wang Zhaocheng (independent non-executive Director) and Ms. Zou Yunli (non-executive Director). Mr. Wong Ti (independent non-executive Director) has professional qualifications, and appropriate accounting or related financial management expertise.

董事證券交易

本公司已採納標準守則作為董事進行證券交易的行為守則。本公司已向全體董事作出特定查詢，全體董事確認彼等自上市日期起至2018年12月31日止期間已遵守標準守則。

董事及高級人員的責任保險

本公司已投購適當保險，以保障針對董事及高級人員提出的法律行動。保障範圍每年會接受審閱，確保對董事及高級人員可能承擔的潛在法律責任提供足夠保障。

董事委員會

審核委員會

審核委員會的主要責任包括（但不限於）監督年度審核工作、評估經審核財務報表的真實性、準確性及完整性以及將評估提交予董事會作考慮；建議委聘或轉換外部核數師以及監督彼等的表現；審閱及評估本公司的財務監督制度及內部審核制度；與管理層討論內部監控系統，以確保管理層履行其職務以達致一個有效的內部監控系統；以及審閱本公司的財務資料及其披露等。審核委員會由三名委員組成，包括汪棣先生（獨立非執行董事）為主席，其他委員為王朝成先生（獨立非執行董事）及鄒雲麗女士（非執行董事）。汪棣先生（獨立非執行董事）具備專業資格，及具備適當的會計或相關的財務管理專長。



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During the period from the Listing Date to 31 December 2018, the audit committee held two meetings. Detailed attendance records by members of the audit committee are set out in page 70. Summaries of works completed by the audit committee during 2018 are as follows:

- reviewed the consolidated unaudited financial statements, interim results announcement and the 2018 interim report for the six months ended 30 June 2018;
- discussed the audit plan of 2018 with the auditor;
- reviewed the financial control, risk management and internal control systems of the Group; and
- proposed the amendments to the terms of reference of the audit committee pursuant to the amendments to the Listing Rules to the Board for approval.

自上市日期起至2018年12月31日止期間，審核委員會召開了兩次會議。有關審核委員會委員的會議出席率詳列於第70頁。審核委員會於2018年已完成的工作摘要如下：

- 審閱了截至2018年6月30日止六個月合併未經審核財務報表、中期業績公告及2018年中期報告；
- 與核數師討論2018年度審計計劃；
- 檢討本集團的財務監控、風險管理及內部監控系統；及
- 就上市規則的修訂向董事會建議批准修訂審核委員會職權範圍。

Auditor's Remuneration

During the year ended 31 December 2018, the remuneration payable in respect of the audit and non-audit services rendered by the external auditor of the Group, PricewaterhouseCoopers, are as follows:

核數師酬金

截至2018年12月31日止年度，就本集團外聘核數師，羅兵咸永道會計師事務所，提供之核數及非核數服務應付核數師之酬金如下：

| Type of services 服務類型 | Amount 金額 RMB'000 人民幣千元 |
|-----------------------------|----------------------------------|
| Audit services 審計服務 | 4,100 |
| Non-audit services 非審計服務 | 845 |



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Directors' and Auditor's Acknowledgement

All Directors acknowledged their responsibility for preparing the accounts for the year ended 31 December 2018 which give a true and fair view of the financial position of the Group. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the auditor of the Company about its reporting responsibilities on the consolidated financial statements for the year ended 31 December 2018 are set out in the section "Independent Auditor's Report" of this report.

Remuneration Committee

The main responsibilities of the remuneration committee include (but not limited to) reviewing and examining the remuneration policies and proposals of Directors and senior management; reviewing the performance of Directors and senior management in discharging their responsibilities and conducting annual performance evaluation; making recommendations to the Board on the remuneration packages of executive Directors, non-executive Directors and senior management; and considering the remunerations paid by comparable companies, time commitment and responsibilities and employment conditions for other positions in the Group. The remuneration committee consists of three members, of whom Mr. Wang Zhaocheng (independent non-executive Director) is the chairman, and other members are Mr. Sun Haitao (chairman, chief executive officer and executive Director) and Mr. Ye Xiang (independent non-executive Director).

During the period from the Listing Date to 31 December 2018, there was no service agreement of executive Director or non-executive Director; or letter of appointment of independent non-executive Director that required approval by the remuneration committee.

During the period from the Listing Date to 31 December 2018, no meeting of the remuneration committee was held. The remuneration committee shall hold meeting as and when required.

董事及核數師之認可

所有董事均確認彼等編製截至2018年12月31日止年度之賬目之責任，而該賬目真實及公平地反映本集團之財務狀況。董事並無察覺到有任何重大不明朗之事件或狀況，而可能引起對本公司是否有能力作為持續經營實體的重大疑問。本公司核數師有關截至2018年12月31日止年度之綜合財務報表之申報責任報告載於本報告「獨立核數師報告」一節。

薪酬委員會

薪酬委員會的主要責任包括（但不限於）審閱及審查董事及高級管理層的薪酬政策及建議；審閱董事及高級管理層就履行其責任的表現以及進行年度表現評估；向董事會提供有關執行董事、非執行董事及高級管理層的薪酬待遇的建議；以及考慮可資比較公司支付的薪酬、本集團其他職位的投入時間、責任及受僱情況等。薪酬委員會由三名委員組成，包括王朝成先生（獨立非執行董事）為主席，其他委員為孫海濤先生（主席、行政總裁兼執行董事）及葉翔先生（獨立非執行董事）。

自上市日期起至2018年12月31日止期間，概無需要薪酬委員會批准的執行董事或非執行董事之服務協議，或獨立非執行董事之任命書。

自上市日期起至2018年12月31日止期間，薪酬委員會並無舉行會議。薪酬委員會將於有需要時召開會議。



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Nomination Committee

The main responsibilities of the nomination committee include (but not limited to) reviewing the structure, size and composition (including the skills, knowledge and experience of the members) of the Board at least once a year and making recommendations on proposed changes to the Board in accordance with the Company's corporate strategy; reviewing the requirements and procedures for the appointment of Directors and senior management and providing suggestions to the Board; identifying qualified candidates for Directors and senior management and reviewing and making suggestions on the qualification of the candidates for Directors and senior management; and evaluating the independence of independent non-executive Directors. The nomination committee consists of three members, of whom Mr. Sun Haitao (chairman, chief executive officer and executive Director) is the chairman, and other members are Mr. Wang Zhaocheng (independent non-executive Director) and Mr. Ye Xiang (independent non-executive Director).

During the period from the Listing Date to 31 December 2018, no meeting of the nomination committee was held. The nomination committee shall hold meeting as and when required.

Nomination Policy

The Group has passed a resolution to adopt a nomination policy (the "Nomination Policy") on 20 November 2018.

Summary of the Nomination Policy

The Company embraced high transparency in the Board member selection process. The Nomination Policy aimed to ensure the Board maintains a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The nomination committee has been delegated to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The Board is ultimately responsible for selection and appointment of new Directors.

提名委員會

提名委員會的主要責任包括(但不限於)每年至少一次審閱董事會的架構、規模及組成(包括成員的技能、知識及經驗),以及根據本公司的公司策略就董事會的建議變動作出建議;審閱有關委任董事及高級管理層的規定及程序以及向董事會提供建議;識別合資格的董事及高級管理層候選人,以及審閱董事及高級管理層候選人的資格並對此提供建議;以及評估獨立非執行董事的獨立性等。提名委員會由三名委員組成,包括孫海濤先生(主席、行政總裁兼執行董事)為主席,其他委員為王朝成先生(獨立非執行董事)及葉翔先生(獨立非執行董事)。

自上市日期起至2018年12月31日止期間,提名委員會並無舉行會議。提名委員會將於有需要時召開會議。

提名政策

本集團於2018年11月20日通過決議案採納提名政策(「提名政策」)。

提名政策概要

本公司重視董事會成員甄選過程具高透明度。提名政策旨在確保董事會在技能、經驗和觀點多樣性上保持平衡以適應本公司的業務需求。提名委員會已獲委派以識別具備合適資格成為董事會成員的人士,並就已被提名擔任董事職位的人士進行甄選或向董事會提出建議。董事會最終負責甄選和任命新董事。



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Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to achieve diversity at Board level. Selection of candidates for members of the Board will be based on a number of measurable objectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and will take into full consideration of the Company’s business scale and specific requirements from time to time. Currently, members of the Board have different business and professional backgrounds, and among all seven members of the Board, one is female. The nomination committee is responsible for supervising the implementation of this policy and reviewing it, as appropriate, to ensure its effectiveness.

The nomination committee has reviewed the Board Diversity Policy this year and was satisfied that the diversity of the Board was optimal.

董事會成員多元化政策

董事會已採納董事會成員多元化政策（「**董事會成員多元化政策**」），務求董事層面實現多元化。甄選董事會成員之候選人會以多項可計量目標為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，並充分考慮本公司本身的業務模式及不時的具體需要。目前董事會成員來自不同業務及專業背景，在全體七位董事會成員中一位為女性董事。提名委員會負責該政策的監督執行，並在適當時候審查該政策，以確保該政策行之有效。

提名委員會已於本年內檢討董事會成員多元化政策，並認為董事會成員的多元化已獲體現，而且情況理想。



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CORPORATE GOVERNANCE FUNCTIONS

The Board recognises that the Directors are collectively responsible for the corporate governance duties. Such duties include but are not limited to:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and the disclosure in the Corporate Governance Report.

During the period from the Listing Date to 31 December 2018, the Board has reviewed and performed the abovementioned corporate governance functions.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman of the Board and chief executive officer are not separated and exercised by different individuals but are both taken up by Mr. Sun, an executive Director. For further details, please refer to the section headed "Code Provision A.2.1 (Separation of the Roles of Chairman and Chief Executive Officer)" of this report.

企業管治職能

董事會確認董事集體負責企業管治職責，該職責包括但不限於：

- 制定及檢討本公司的企業管治政策及常規，並提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及
- 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

自上市日期起至2018年12月31日止期間，董事會已檢討及履行上述企業管治職能。

主席及行政總裁

董事會主席及行政總裁之職責並無區分且由執行董事孫先生履行。更多詳情請見本報告「守則條文第A.2.1條（區分主席及行政總裁的角色）」一節。



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COMPANY SECRETARY

Ms. Li Hiu Ling (“Ms. Li”) was appointed as the company secretary by the Company. Ms. Li is an employee of the Group and is familiar with the affairs of the Group. All Directors have access to the advice and services of the company secretary to ensure that Board procedures and all applicable law, rules and regulations, are followed. During the year ended 31 December 2018, Ms. Li took no less than 15 hours of relevant professional training as required by the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management and internal control systems are crucial for achieving the strategic goals of the Company. With the risk management and internal control systems, the Company can ensure its law-compliant operation, which keeps its operational risk within tolerable limits.

The Board is responsible for the comprehensive assessment of the key risks exposed to the Company, identifying the risk level that the Company expects and can absorb for achieving its strategic goals, determining risk strategies, ensuring the establishment of internal control system and its effective implementation, and monitoring the operational risk and performance indicators in a timely manner.

The senior management is responsible for the implementation of the risk management plans and risk strategies approved by the Board, organizing and coordinating the implementation and daily operation of internal control system. The senior management is also responsible for identifying and assessing the material business risk exposed to the Company and taking measures accordingly.

The audit committee is responsible for assisting the Board to check the overall risk profiles of the Company, conducting risk assessment and risk management, inspecting internal control, overseeing the effective implementation of internal control and the self-evaluation of internal control, and reviewing and monitoring the effectiveness of the Company’s internal audit.

公司秘書

本公司已委任李曉玲女士（「李女士」）為公司秘書。李女士為本集團僱員，熟悉本集團事務。全體董事均可尋求公司秘書的意見及服務，以確保董事會程序及所有適用法律、規則及法規均獲得遵守。李女士於截至2018年12月31日止年度已根據上市規則的規定參與不少於15小時的相關專業培訓。

風險管理及內部監控

有效的風險管理及內部監控系統對實現本公司的戰略目標至關重要。風險管理及內部監控系統可確保本公司依法合規，將經營風險控制在可容忍的範圍內。

董事會負責全面評估本公司所面臨的關鍵風險，釐定本公司為實現戰略目標所預期和能夠承擔的風險水平，確定風險策略，確保內部監控系統的建立健全和有效實施，並及時監控經營風險及績效指標。

高級管理層負責執行董事會批准的風險管理計劃和風險策略，組織協調內部監控系統的實施及日常工作。高級管理層亦負責識別及評估本公司面臨的重大業務風險，並採取應對措施。

審核委員會負責協助董事會檢查本公司整體的風險狀況，進行風險評估與風險管理事宜，審查企業內部監控，監督內部監控的有效實施和內部監控自我評價情況，並負責檢討及監察本公司內部審計之成效。



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The internal control department of the Company is responsible for monitoring the risk management and internal control systems, independently auditing the effectiveness and completeness of the risk management and internal control systems and ensuring the compliance of internal control. Also, the internal control department is responsible for assessing risks independently, identifying material risks and making suggestion for improvement, carrying out subsequent audit on issues identified, and regularly reporting the auditing results and follow-ups to the audit committee.

The Company has established a comprehensive risk management system to effectively identify, assess, mitigate and monitor various risks, which enables the Company to identify and manage its risks through continuous supervision and auditing in a proactive and structured way. The Company has adopted the following dynamic risk management procedures to cope with the ever-changing risk profiles:

- all business units and functions will, from the bottom up, analyze, confirm, manage and monitor the risks arising from the operation systematically;
- the senior management will be responsible for the overall organization, coordination and planning of the operational risk management of the Company, and conduct real-time monitoring on the risk management work and internal control of all business units and functional departments, for which the internal control department will collect and coordinate risks and confirm and audit risk control;
- the internal control department will conduct post-inspection, audit and monitoring on the risk management work, conduct inspection on the Company's internal control system for defects, audit the compliance, reasonableness and risk controllability of the principal business processes of the Company, audit the economic responsibility of the personnel in charge of operation, audit the effectiveness of enterprise information system, and regularly report relevant results to the audit committee; and
- the audit committee will, from the bottom up, promote the implementation of strategies for coping with material risks by the management.

本公司之內控部負責監控風險管理及內部監控系統，獨立審計風險管理及內部監控系統的有效性與完整性，確保本公司內部監控合規。內控部亦負責進行獨立的風險評估，識別重大風險並提出改進建議，就發現的問題進行後續審計，定期向審核委員會匯報審計結果及後續情況。

本公司已建立全面風險管理體系來有效識別、評估、減輕及監控各類風險，使本公司能夠採取積極及結構化方法，透過持續監督及審計，識別及管理本公司風險。本公司採取以下動態風險管理程序以應對不斷變化的風險狀況：

- 各業務部門和職能部門由下而上，對經營過程中的風險事項進行系統化的分析、確認、管理和監控；
- 由高級管理層對本公司經營風險管理工作進行統籌、組織、協調與規劃，並對各業務部門與職能部門的風險管理工作及內部監控開展情況等進行實時監控；內控部對此進行風險的收集及協調以及風險控制的確認與審核；
- 由內控部對風險管理工作進行事後稽核、審計和監察等，對本公司內部監控制度進行查漏補缺、對本公司主要業務流程的合規性、合理性和風險可控性進行審計、對經營管理者進行經濟責任審計、對企業信息系統有效性進行審計等，並定期向審核委員會進行匯報；及
- 審核委員會由下而上地推動管理層落實執行重大風險的應對策略。



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MAJOR RISKS AND UNCERTAINTIES

A summary of the major risks and uncertainties faced by the Company is set out below. With the changes of our business scale and external environment, the risk profile of the Company may subject to changes. The following risks and uncertainties are not exhaustive.

The major risks faced by the Company currently include:

I. Economic and market risks

Any significant or prolonged slowdown in the Chinese or global economy may have an adverse impact on our business, financial position and operation results. Facing an ever-changing market and due to the limited operating history, the Company is subject to fierce competition in the industry. If the Company does not compete effectively, its operation results could be harmed. If the services provided by the Company are insufficiently attractive to customers or fail to satisfy the demands of users, applicants or cooperative institutions, the Company's business, financial position and operation results will be affected.

In order to reduce these risks, the Company pays close attention to market and industry trends, actively promotes communication with industrial peers and regularly conducts analysis on competing products. At the same time, the Company places emphasis on the demands and experiences of users, constantly promotes the innovation and development of products and technologies, expands into new areas and makes the strategies of the Company more suitable for the market and environment. In addition, the Company will continue to strengthen the cooperation with excellent business partners to achieve mutual benefits and joint development.

主要風險及不確定因素

下文列示本公司面臨的主要風險及不確定因素概要。隨著業務規模及外部環境的不斷變化，本公司的風險狀況可能會發生改變，以下風險及不確定因素並非詳盡無遺。

本公司當前面臨的主要風險包括：

I. 經濟及市場風險

中國或全球經濟嚴重或持續低迷會對本公司的業務、財務狀況及經營業績造成不利影響。面對不斷變化的市場及結合有限的經營史，本公司面臨行業中的激烈競爭。若本公司無法有效競爭，本公司的經營業績可能受損。若本公司所提供的服務對客戶吸引力不足，或不符合用戶、申請人或合作機構的需求，本公司的業務財務狀況及經營業績將受到影響。

為減低這方面的風險，本公司時刻關注市場及行業動態，積極促進同行業交流，及定期進行競品分析。同時，本公司重視用戶需求及體驗，不斷推動產品與技術的創新發展，拓展新的領域，使本公司戰略更加符合市場及環境的需求。另外，本公司會不斷加強與優秀業務夥伴的合作，提倡互利共贏，共同發展。



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2. Government policies and regulations risks

The PRC government has been improving laws and regulations on Internet finance industry and referral services. With the gradual implementation of regulatory policies and rules of self-regulation, if the Company is unable to ensure that its existing practices are in compliance with the laws, regulations and government policies relating to the industry, the Company's business will be adversely affected. The Company is still in the progress of compliance filings for its 51 Renpin platform, and if the Company is unable to complete the filings, the Company's business, financial position and results of operations will be adversely affected.

In order to reduce these risks, the Company has set up a professional and strong in-house team to ensure operation compliance in all aspects such as communication with regulatory authorities, law interpretation and internal system construction. The Company maintains close contact with regulators to update the regulatory trends in real time and pay close attention to the new laws and regulations in the industry, so as to conduct self-inspection immediately and comply with regulatory requirements comprehensively and actively responds to regulations, thus improving its compliance management. As at the date of this report, 51 Renpin platform has successfully completed self-inspection and the overall compliance filing progress went smoothly.

3. Credit risk

The Company relies on the proprietary credit assessment model in assessing the creditworthiness of the borrowers and the risks associated with loans. If the proprietary credit assessment model of the Company is flawed, or if the Company otherwise fails or is perceived to fail to manage the default risks of loans facilitated through its platform, the reputation and market share of the Company would be adversely affected, which would impact the business and operation results of the Company. If the Company is unable to maintain relatively low delinquency rates for loans facilitated, or its ability to collect delinquent loans is impaired, the business, financial position and results of operation of the Company might be adversely affected.

2. 政府政策及法規風險

中國政府對互聯網金融行業及互聯網導流業務的法律法規仍在不斷完善。隨著監管政策和自律規則逐步落地，若本公司未能確保現行常規遵守有關行業的法律法規及政府政策，則會對本公司的業務產生不利影響。本公司仍為51人品平台進行合規備案，若本公司未能完成備案，本公司的業務、財務狀況及經營業績將會受到不利影響。

為減低這方面的風險，本公司設立專業、強大的內部團隊，從政府對接、法律解讀、內部制度建設等各方面確保合規經營。本公司與監管機構緊密聯繫，實時了解監管動態，及時關注行業法律法規發佈情況，第一時間進行內部自查，全面落實合規要求，積極配合監管，加強自身合規管理。截止本報告日期止，51人品平台已完成企業機構自查、整體合規備案進展順利。

3. 信用風險

本公司依賴專有信用評估模式評估借款人的信用及與貸款有關的風險，若本公司的專有信用評估模式有缺陷，或若未能或被認為未能管理本公司平台所撮合的貸款的違約風險，本公司的聲譽及市場份額將受到不利影響，這可能影響本公司的業務及經營業績。若本公司未能維持所撮合的貸款較低的違約率或收取逾期貸款的能力受損，本公司的業務、財務狀況及經營業績可能會受到不利影響。



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To diminish the related risk, the Company has continued to improve its credit risk management system. Based on the strengths of the Company's mobile internet platform, the Company has continued to develop and focus on the quality credit customers; based on big data and artificial intelligence technology, the Company has continued to expand its risk management data and explore and improve its variables of risk management; through accumulated experiences and outstanding practices of its peers, the Company has kept optimizing its risk management model and risk management policy; through expanding and enhancing its own after-credit management team, seeking more cooperation with professional debt collection institutions, and applying artificial intelligence technology, the Company has enhanced its asset recovery ability.

4. Information system and security risks

The business and internal systems of the Company rely on highly technical software and application. Undetected errors or significant disruption in the IT system of the Company could restrain us from offering our products and services, thereby reducing the attractiveness of our products and services and resulting in a loss of borrowers or individual investors. In addition, if the Company breached the requirements of national Internet security, or if our platform is subject to attacks that result in unauthorised intrusion into our users' personal information, our services may be perceived as insecure and unreliable, our users may curtail or stop using our services and our business and operating results may be harmed.

In order to reduce these risks, the Company has set up an independent and professional team dedicated to technology operation and maintenance and information security construction. The Company has well-established systems and control measures for technology development, online management and information security management and the above systems and measures have been implemented strictly. Effective emergence plans have been made and emergence drill and data backup are carried out regularly. In addition, the Company has established a user management system to strengthen the access authority management of important business systems, and conducts internal audit and training and education on staff awareness regularly.

為減低這方面的風險，本公司不斷完善信貸風險管理體系。依託本公司移動互聯網平台優勢，本公司持續開發和聚焦優質信貸客群；以大數據、人工智能技術為依託，本公司持續擴充風控數據、深度挖掘並完善風控變量；通過積累歷史經驗和借鑒同行優秀實踐，本公司持續優化風控模型和風險策略；通過擴大和加強自有貸後管理團隊、增加與專業催收機構合作，以及利用人工智能技術，本公司提高逾期資產回收能力。

4. 資訊系統及安全風險

本公司的業務及內部系統倚賴高度技術性的軟件及程式。如本公司的信息技術系統中出現錯誤或嚴重中斷，將可能阻止本公司提供產品及服務，從而降低產品及服務的吸引力，並導致借款人或個人投資人流失。此外，若違反了國家對網絡安全的要求，或若本公司的平台被攻擊而導致用戶的個人信息遭受未經授權入侵，本公司的服務可能被視為不安全及不可靠，用戶可能會減少或停止使用本公司服務及可能有損本公司的業務及經營業績。

為減低這方面的風險，本公司設立獨立的專業團隊負責技術運維及信息安全建設。本公司已建立完整的技術研發、上線管理及信息安全管理等相關制度和控制措施，並嚴格遵照執行。本公司制訂了行之有效的應急預案，定期進行應急演練與數據備份。另外，本公司建立用戶管理制度，加強對重要業務系統的訪問權限管理，並定期進行內部審計與員工意識培訓和宣導。



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EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

With the assistance of the audit committee, the Board continues to monitor the risk management and internal control systems of the Company. The relevant procedures involve reviewing the effectiveness of risk management and internal control and dealing with material internal control issues include (but not limited to) meeting and communication with the management team, internal control department, legal personnel and external auditor, and reviewing relevant work reports and key performance indicators.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing the effectiveness of such systems. The risk management and internal control systems can provide reasonable but not absolute assurance against material misstatement or loss, and are designed to manage rather than eliminate the risk of failure in the process of attaining business objectives. For the year ended 31 December 2018, the internal audit team of the Group conducted internal audit on the principal businesses of the Group independently. The Board and audit committee reviewed and monitored the Group's internal audit function and considered it effective.

The Board has conducted annual review of the risk management and internal control systems for the year ended 31 December 2018 and was of the view that the risk management and internal control systems for the year ended 31 December 2018 were adequate and effective.

During the annual review for the year ended 31 December 2018, the Board also assessed the adequacy of the Group's resources, employee qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions, the result with which the Board is satisfied. The Board is not aware of any material internal control failings or weaknesses.

As for the procedure for handling and publication of inside information as well as its internal control, the Company was aware of its responsibility under the SFO and has adopted relevant internal policies covering the definition and scope of inside information, guidelines on all insiders including directors and accountability for breaches etc. to ensure that the handling and publication of inside information are in compliance with the SFO.

風險管理及內部控制有效性

董事會在審核委員會的協助下，持續監督本公司的風險管理及內部監控系統。檢討風險管理及內部監控系統的有效性及解決嚴重的內部監控問題，包括（但不限於）與管理團隊、內控部、法務人員以及外部核數師進行會議溝通，審閱相關工作報告和關鍵業績指標信息。

董事會承認其對風險管理及內部監控系統負責，並有責任檢討該等制度的有效性。風險管理及內部監控系統可對重大錯誤陳述或損失提供合理但並非絕對的保證，而其旨在管理並非消除在實現業務目標過程中的風險。於截至2018年12月31日止年度，本集團之內部審計團隊為本集團的主要業務進行了獨立內部審計。董事會及審核委員會審閱及監察了本集團的內部審計功能並認為它有效。

董事會為截至2018年12月31日止年度的風險管理及內部監控系統進行年度檢討。董事會認為截至2018年12月31日止年度的風險管理及內部監控系統充足及有效。

董事會於截至2018年12月31日止年度之年度檢討亦評估了本集團之資源、員工資格及經驗、培訓計劃及會計預算、內部審核及財務報告職能之充足性。就此方面，董事會對結果滿意。董事會並不知悉內部監控存有任何重大失效或弱點。

在處理和發佈內幕信息的程序及內部監控方面，本公司知悉其根據證券及期貨條例所須履行的責任，並且已在本公司內部採納相關制度，內容包括內幕信息的定義和範圍、包含董事在內的全體內幕信息知情人的行為指引及違反制度時的責任追究等，以確保內幕信息的處理和發佈符合證券及期貨條例的要求。



Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

The Company will hold its first AGM in May 2019. The Company encourages the Shareholders to attend the general meetings of the Company. The Company also recognises the importance of timely disclosure of information, which will enable the Shareholders and investors to make informed investment decisions. The general meetings provide an opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Board, the chairman of each of the audit committee, the remuneration committee and the nomination committee (another member of the committee shall be authorised in the absence of the chairman of relevant committee), as well as the chairman of the independent board committee (if any) will attend the relevant general meeting of the Company to answer queries about the Group's business.

The circular for the annual general meeting will be distributed to all Shareholders at least 20 clear business days before the meeting. All voting of the resolutions at the general meeting will be taken by poll pursuant to the Listing Rules and the poll results will be published on the Company's website and the Stock Exchange's website. The corporate communication with Shareholders will be posted on the Company's website (www.u51.com) for Shareholders' information. The Company has adopted a shareholders' communication policy to ensure that Shareholders can timely and equally access to reasonable and/or understandable information of the Company.

股東權利

本公司將於2019年5月舉行首個股東週年大會。本公司鼓勵股東出席本公司股東大會。本公司亦知悉及時披露資料的重要性，以讓股東及投資者作出有充分根據的投資決定。股東大會為股東提供與董事直接溝通的機會。董事會主席、審核委員會主席、薪酬委員會主席及提名委員會主席（在該等委員會主席缺席時授權相關委員會的其他委員）及獨立董事委員會主席（如有）會出席本公司相關之股東大會回答有關本集團業務的查詢。

股東週年大會之通函將於會議前至少足20個營業日向所有股東發出。股東大會決議案的全部表決將根據上市規則以投票表決方式進行，而投票表決結果將刊載於本公司網站及聯交所網站。與股東之公司通訊將登載於本公司網站(www.u51.com)供股東查閱。本公司已採納股東通訊政策，以確保股東可及時且同樣獲得本公司合理及/或可理解的資訊。



Corporate Governance Report

企業管治報告

PROCEDURES FOR THE SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 12.3 of the Articles, general meetings shall be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

股東召開股東特別大會之程序

根據細則第12.3條，股東大會可應兩名或以上股東的書面要求而召開，有關要求須送達本公司位於香港的主要辦事處（或倘本公司不再設置上述主要辦事處，則為註冊辦事處），當中列明大會的主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有不少於本公司十分之一的繳足股本，其中附帶可於本公司股東大會上投票的權利。股東大會亦可應本公司任何一名股東（為一間認可結算所（或其代名人））的書面要求而召開，有關要求須送達本公司位於香港的主要辦事處（或倘本公司不再設置上述主要辦事處，則為註冊辦事處），當中列明大會的主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持不少於本公司十分之一的繳足股本，其中附帶可於股東大會上投票的權利。倘董事會於送達要求之日起計21日內並無按既定程序召開將予在其後21日內舉行的大會，則請求人自身或持有彼等所有投票權50%以上的任何請求人可按盡量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於送達有關要求之日起計三個月屆滿後召開，且本公司須向請求人償付因董事會未有召開大會而致使彼等須召開大會所合理產生的所有開支。



Corporate Governance Report

企業管治報告

PROCEDURES FOR THE SHAREHOLDERS TO PUT THEIR ENQUIRIES TO THE BOARD

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders. The Company delivers interim and annual reports and publication of the interim and annual results announcements and other required disclosure of information on the websites of the Stock Exchange and the Company to all the Shareholders.

The Company endeavours to maintain two way communications with the Shareholders through various channels. The Shareholders are encouraged to put their enquiries about the Group through the Company's email at ir@u51.com or by mail to the address of the Company's principal place of business in Hong Kong at Unit 1006, 10th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. All the enquiries will be dealt with in a timely manner.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Shareholders who wish to make proposals or move a resolution are encouraged to convene an extraordinary general meeting in accordance with section headed "PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING" above.

CONSTITUTIONAL DOCUMENTS

The second amended and restated Memorandum and the Articles of Association of the Company were conditionally adopted by the Board on 24 June 2018 and became effective on the Listing Date. Save as disclosed above, there was no significant change in the Articles during the period from the Listing Date to 31 December 2018. The Articles are available on the websites of the Stock Exchange and the Company (www.u51.com).

股東向董事會提出查詢之程序

本公司致力實施與其股東公開及定期交流，並向彼等合理披露資料之政策。本公司向全體股東寄發中期及年度報告，並於聯交所及本公司網站刊登中期及年度業績公告及其他須予披露資料。

本公司致力透過多種渠道與股東維持雙向溝通。歡迎股東向本集團提出查詢，方法為向本公司發出電郵 (ir@u51.com) 或郵寄至本公司香港主要營業地點香港金鐘道89號力寶中心一座10樓1006室。所有查詢會得到及時處理。

在股東大會提出建議的程序

本公司鼓勵有意提出建議或決議案的股東按照上文「股東召開股東特別大會之程序」一節召開股東特別大會。

憲章文件

本公司第二次經修訂和重述的組織章程大綱及細則於2018年6月24日獲董事會有條件採納及已於上市日期生效。除上文所披露者外，細則自上市日期起至2018年12月31日止期間內並無任何重大變動。細則可於聯交所網站及本公司網站上查閱 (www.u51.com)。

Environmental, Social and Governance Report

環境、社會及管治報告



I. OUR ESG COMMITMENT AND APPROACH

The Group acknowledges the significance of effective environmental, social and governance (“ESG”) initiatives at operational level. The direction of our ESG practices is governed by the Board, ensuring that the ESG strategy reflects the Company’s core values. While making concerted efforts to enhance the value and performance of the Company, the Board and the management members also take the responsibility for evaluating and determining our ESG-related risks and ensuring the appropriate and effective operation of relevant risk management and internal control systems.

The vision of 51 Credit Card is “Better Credit, Better Life”. We endeavor to provide long-term benefits to all stakeholders by way of responsible operation, which includes both the economic considerations and the social and environmental considerations, so as to maintain a sustainable development of the Company.

Our ESG management approach is designed with a focus on the key areas which are deemed to be significant to the Company. Such key areas will be explained in the section titled “STAKEHOLDER AND MATERIALITY ASSESSMENT” below. With a robust ESG risk management practice, the Company is committed to keeping on improving the performance in such key areas under the ESG framework, with a view to creating sustainable values over its long-term development.

Externally, while striving to provide quality services to our users, we also hope to make use of our operation model under the ESG framework to create a harmonious and cooperative atmosphere for our diverse users (including the borrowers and the lenders), thus effectively contributing to the stability and healthy development of the online lending business.

Internally, the Company has established written guidelines under our ESG framework and would provide training and strive to invest resources for improvements over the pursuit of sustainable development. With such guidelines and effective policies and training, the Company could integrate from top to bottom the ESG concept into all aspects of our operation and thus effectively enhance the ESG awareness of our employees, enabling everyone at 51 Credit Card to take part in our sustainable development. This ensures that our ESG framework could fully cover the key parts of our business.

一、我們對環境、社會和管治的承諾及方針

本集團深知有效的環境、社會及管治（「ESG」）舉措在經營層面的重要性。我們ESG工作之方向由董事會監管，以確保ESG策略反映本公司的核心價值。董事會與管理層同心協力在提高本公司的價值及表現的同時，亦承擔了評估和識別與我們的ESG事項有關的風險的責任，確保相關風險管理和內部控制制度得到適當和有效的運行。

51信用卡的願景是「讓有信用的人過得更好」。我們竭力以負責任的運營方式來為所有持份者提供長遠利益，在經營業務時不僅要考慮經濟因素，還要考慮社會和環境因素，以保持本公司的可持續發展。

我們ESG的管理方針圍繞一些被視為對企業有重大影響的重點領域而設計。這些重點領域將在後面標題為「持份者與重要性評估」的部分中作介紹。在強而有力的ESG風險管理推動下，本公司致力於通過ESG框架持續改進該等重點領域的績效，從而在長期發展中創造可持續的價值。

在外部，我們致力於為用戶提供優質服務，同時亦希望通過我們ESG框架下的運營模式為我們不同類型的用戶（包括借款人及出借人）營造和諧協作的氣氛，有效地加強網絡借貸的穩定及其健康發展。

在內部，本公司的ESG框架已經建立了書面的指導方針、提供培訓以及在可持續發展的探索過程中盡可能投放資源以尋求改進方法。通過本公司的指導方針及有效的政策和相關培訓，自上而下將ESG概念融入我們經營的所有方面，從而有效地提高員工對ESG的認識，使51信用卡的每位成員都能成為可持續性發展的參與者。這確保了我們的ESG框架範圍能全面地覆蓋我們業務的關鍵部分。



Environmental, Social and Governance Report

環境、社會及管治報告

2. REPORTING STANDARD, PERIOD AND SCOPE

This environmental, social and governance report (the “ESG Report”) is the first ESG report prepared by the Company in compliance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Listing Rules, which describes the ESG developments of the Company for the period from 1 January 2018 to 31 December 2018 (the “Reporting Period”). This report covers our principal offices located at Hangzhou, Beijing, Daqing, Shanghai, Fuzhou and Shenzhen.

Such aspects and key performance indicators as defined in the ESG Reporting Guide and deemed as relevant and important to our operation would be presented under the following four subject areas, namely “OUR ENVIRONMENT”, “OUR EMPLOYEE”, “OUR SERVICE” and “OUR COMMUNITY”.

3. STAKEHOLDER AND MATERIALITY ASSESSMENT

We strive to make constructive communication with stakeholders (including our Shareholders, customers, employees, suppliers, regulatory authorities and the public) to adopt their views and protect their interests, so as to set the long-term development direction and maintain close engagement with them.

Set out below are the stakeholder groups, their expectations and the typical communication channels with the Company:

| Stakeholders 持份者 | Expectations 期望 | Communication channels 溝通渠道 |
|--|--|---|
| Government and regulatory authorities 政府及監管機構 | <ul style="list-style-type: none"> Compliance in operation 合規開展業務 Safe and controllable online lending platform 安全可控的網絡借貸平台 Compliance with the laws and regulations 遵守法律法規 Internal inspection 內部檢查 Workplace occupational health and safety 工作場所職業衛生與安全 | <ul style="list-style-type: none"> Public information such as financial reports, announcements and circulars 財務報告、公告、通函等公開信息 Direct communication by email and phone 直接通過電子郵件和電話進行溝通 Interview with government officials 與政府官員會面 |

二、報告標準、期限和範圍

本環境、社會和管治報告（「ESG報告」）是本公司根據上市規則附錄二十七所載之《環境、社會及管治報告指引》（「ESG報告指引」）編寫的第一份ESG報告，描述了本公司在2018年1月1日至2018年12月31日（「報告期」）期間取得的ESG進展。本報告的範圍包括51信用卡位於杭州、北京、大慶、上海、撫州和深圳的主要辦公場所。

ESG報告指引中所界定且被認為與51信用卡的運作相關並且具有重大意義的各個方面和關鍵績效指標，將以四個主題領域下作介紹，即「我們的環境」、「我們的員工」、「我們的服務」和「我們的社區」。

三、持份者與重要性評估

我們努力通過建設性的溝通方式採納持份者（包括股東、客戶、員工、供應商、監管機構和社會公眾）的意見及保障彼等權益，以確定本公司的長期發展方向及與其保持密切的關係。

持份者組別、彼等期望及彼等與本公司的典型溝通渠道如下所示：

Environmental, Social and Governance Report

環境、社會及管治報告



| Stakeholders 持份者 | Expectations 期望 | Communication channels 溝通渠道 |
|---------------------|--|---|
| Users 用戶 | <ul style="list-style-type: none"> • Protection of users' interests 用戶權益保障 • Capital and transaction safety of the platform 平台資金及交易安全 • User experience of the platform 平台的用戶體驗 • Fair transaction, reasonable charges 公平交易合理徵費 • Protection of users' information, the timeliness and authenticity of information 用戶信息保護、信息及時性和真實性 • Preferential policies for marketing 營銷優惠政策 • Fair valuation standard 公平評估標準 | <ul style="list-style-type: none"> • Risk warning documents 風險提示文件 • Collection of complaints and feedback 投訴和反饋的收集 • Public information such as financial reports, announcements and circulars 財務報告、公告、通函等公開信息 • Maintaining good communication with customers 與客戶保持良好的溝通 • Satisfaction survey 滿意度調查 |
| Employees 員工 | <ul style="list-style-type: none"> • Training and career development potential 培訓和職業發展空間 • Wages and benefits 工資福利 • Working environment 工作環境 • Health and safety 健康與安全 • Career development and opportunities 職業發展和機遇 | <ul style="list-style-type: none"> • Employee activities 員工活動 • Employee bulletin board 員工佈告欄 • Periodic employee memorandum 員工定期備忘錄 • Collecting employee's views through direct communication 直接溝通收集員工意見 • Employee training, seminars and briefing 員工培訓、研討會和簡報 • Cultural activities such as team building 團隊建設等文化活動 |



Environmental, Social and Governance Report

環境、社會及管治報告

| Stakeholders 持份者 | Expectations 期望 | Communication channels 溝通渠道 |
|---|--|---|
| Shareholders and investors 股東和投資者 | <ul style="list-style-type: none"> Return on investment 投資回報 Information disclosure and transparency 信息披露和透明度 Protection of Shareholders' interests 保護股東權益 Timely and accurate disclosure of relevant information 及時及準確地披露相關信息 Improving corporate governance 提高公司管治水平 Compliance with the laws and regulations 遵守法律法規辦事 Anti-corruption 反腐倡廉 | <ul style="list-style-type: none"> Public information such as financial reports, announcements and circulars 財務報告、公告、通函等公開信息 Road show/teleconference/meeting with investors/shareholders 與投資者／股東進行路演／電話會議／會議 Inquiry by phone/email 電話／電子郵件查詢 On-site visit by investors 投資者現場訪問 Information disclosure at the Stock Exchange and the Company's website 聯交所及本公司網站信息披露 |
| Local communities, non-governmental organizations, potential customers and the public 當地社區、非政府組織、潛在客戶和公眾 | <ul style="list-style-type: none"> Employment opportunities 就業機會 Ecological environment 生態環境 Community development 社區發展 Devotion to public welfare 對公益事業的熱情 Charitable donation 慈善捐贈 Reduction of pollutant discharge 減少污染物排放 Reduction of wastes 減少廢物 | <ul style="list-style-type: none"> Charitable activities 慈善活動 Community investment and service 社區投資與服務 Stakeholders' engagement 持份者參與 Environmental protection activities 環保活動 |
| Media 媒體 | <ul style="list-style-type: none"> Information transparency 信息透明度 Good media relations 良好的媒體關係 | <ul style="list-style-type: none"> Information disclosure at the Stock Exchange and the Company's website 聯交所及本公司網站信息披露 Public information such as financial reports, announcements and circulars 財務報告、公告和通函等公開信息 |

Environmental, Social and Governance Report

環境、社會及管治報告

Based on the communication with stakeholders, the Company has identified these ESG issues which are product responsibility, protection of personal information, and training and development. As a result, the Company would keep on improving its ESG performance to meet stakeholders' expectations. For details of our ESG practice during the Reporting Period, please refer to the following sections.

本公司經過與持份者的溝通後，確定這些議題為產品責任、個人信息的保護、以及發展和培訓。基於此等結果，本公司會不斷改善其ESG的表現，以切合持份者的期望。報告期間我們的ESG工作的細節在以下的章節中介紹。

4. OUR ENVIRONMENT

四、我們的環境

We are principally engaged in the operation of online credit card management platform. In view of its online nature, our operation has minimal direct impact on the environment. Nevertheless, we acknowledge the importance of environmental protection and have adopted certain measures which are regularly implemented in our business operations, with an aim to manage emissions and wastes.

我們的主要業務活動是運營線上信用卡管理平台。基於我們的線上業務性質，所從事的活動對環境的直接影響非常小。儘管如此，我們認識到環境保護的重要性，並採取了一些措施，這些措施在我們的商業運作過程中定期執行，以管理排放和廢物。

Aspect A1: Emissions

AI方面：排放物

Air and greenhouse gas ("GHG") emissions

空氣和溫室氣體排放物

Set out below is the different type of air emissions of the Group during the Reporting Period:

在報告期內，本集團的不同類型的空氣排放物如下：

| Direct air emissions | Source of emissions | Total emissions (Kg) 總排放量 (千克) | Density (Note 1) (Kg) 密度 (註1) (千克) |
|----------------------------------|----------------------------------|---|---|
| 直接空氣排放物 | 排放來源 | | |
| Nitrogen Oxides ("NOx") 氮氧化物 | Corporate motor vehicles 公司車輛 | 23.98 | 4.00 |
| Sulphur Oxides ("SOx") 硫氧化物 | Corporate motor vehicles 公司車輛 | 0.04 | 0.01 |
| Particulate Matters ("PM") 微粒 | Corporate motor vehicles 公司車輛 | 2.23 | 0.37 |

Note 1: Density is an average data calculated as the total emissions divided by the number of principal offices.

註1：密度是以總排放量除以主要辦公場所的數量平均計算。

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Set out below is the approximate carbon dioxide equivalent (“CO₂e”) (Note 1) of different type of GHG emissions during the Reporting Period:

報告期內不同類型溫室氣體排放物的二氧化碳排放當量(「CO₂e」)(註1)大致如下:

| GHG emissions 溫室氣體排放物 | Source of emissions 排放來源 | Total emissions (tonne CO ₂ e) 總排放量 (噸CO ₂ e) | Percentage of total emissions (%) 佔總排放量 百分比(%) | Density (Note 2) (tonne CO ₂ e) 密度(註2) (噸CO ₂ e) |
|--|--|--|---|---|
| Scope 1: Direct emissions 範圍1: 直接排放物 | Corporate motor vehicles 公司車輛 | 6.57 | 0.34 | 1.10 |
| Scope 2: Energy indirect emissions 範圍2: 能源間接排放物 | Electricity purchased 所購電力 | 1,804.12 | 94.65 | 300.69 |
| Scope 3: Other indirect emissions 範圍3: 其他間接排放物 | Business trips by air; disposal of paper waste and sewage 商務航空出差、廢紙及 污水處理 | 95.45 | 5.01 | 15.91 |
| Total GHG emissions 總溫室氣體排放物 | | 1,906.14 | 100.00 | 317.70 |

Note 1: CO₂e (tonne) is a measurement unit based on the greenhouse effect caused by one tonne of carbon dioxide, and used to measure and compare the greenhouse effect caused by emissions of different GHGs such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

註1: 二氧化碳當量(噸)是一個以每噸二氧化碳所產生的溫室效應為基礎的度量單位,以量度及比較不同溫室氣體包括二氧化碳(CO₂)、甲烷(CH₄)、氧化亞氮(N₂O)等排放所產生的溫室效應。

Note 2: Density is an average data calculated as the total emissions divided by the number of principal offices.

註2: 密度是以總排放量除以主要辦公場所的數量平均計算。

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The direct air emissions in small quantity are generated from the use of corporate motor vehicles, which mainly comprise NO_x, SO_x and PM generated from the petrol combustion in the engines of the vehicles.

The direct GHG emissions under scope 1 amount to 6.57 tonnes of CO₂e in total, which were generated from the use of our corporate motor vehicles.

The energy indirect emissions under scope 2 represent the major source of the GHG emissions, which amounted to 1,804.12 tonnes of CO₂e in total for the Reporting Period and are the GHG indirectly generated from the electricity purchased. As the Group does not have any generators, all the electricity consumed is sourced from the national power grid in relevant regions. The GHG emissions under scope 3 approximate 95.45 tonnes of CO₂e in total, which were mainly indirectly generated from the business trips by air.

For the purpose to mitigate such emissions, we have adopted a series of measures which would be regularly implemented over the course of our operations. For details, please refer to the section below titled “Environmental protection policies and measures”.

Waste

The waste generated by us is non-hazardous in nature, minimal in quantity and mainly from day-to-day work activities, which includes disposal of food packaging, beverage cans and bottles, paper waste and office stationery. Therefore, we did not collect the relevant data for the Reporting Period, considering that neither the analysis result of such data nor its impact is significant as compared with other KPIs.

Nevertheless, we have implemented various waste-reduction measures, with an aim to further reduce the waste generated from its day-to-day work activities, which are detailed in the section below titled “Environmental protection policies and measures”.

少量的直接空氣排放物源自公司機動車的使用。這些排放物主要由汽車發動機燃燒汽油時排放的NO_x、SO_x和PM組成。

範圍1的直接溫室氣體共計6.57噸CO₂e，產生自為公司機動車的使用。

範圍2的能源間接排放物是溫室氣體排放物的主要來源，在報告期內的總排放量為1,804.12噸CO₂e，溫室氣體間接產生自所購電力。本集團沒有發電機，消耗的電力都是由各區域國家電網提供。範圍3溫室氣體總排放量約為95.45噸CO₂e，主要由於出差需要而搭乘航空交通工具間接產生。

為了減少這些排放，我們採取了一系列措施，這些措施是在我們的經營過程中定期執行的，在後面題為「環境保護政策及措施」的部分中有詳細描述。

廢物

我們產生的廢物性質完全無害，數量極少，主要由日常工作活動產生，如棄置食品包裝、飲料罐和瓶子、廢紙產品和辦公室文具。因此，我們在報告期內並沒有收集相關數據，因為與其他的關鍵績效相比，這些數據的分析結果及影響均不重要。

儘管如此，我們實施了各種減少廢物的措施，以進一步減少日常工作活動產生的廢物量，在後面題為「環境保護政策及措施」的部分中詳細介紹。



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Aspect A2: Use of Energy and Resources

During the Reporting Period, electricity was our major energy source, which was used for general lighting at office, IT rooms and office equipments such as air-conditioners, projectors, computer screens and printers. During the Reporting Period, the total energy consumption was approximately 2,101MWh for the Reporting Period, representing an average monthly consumption of approximately 175,095 kWh.

During the Reporting Period, general domestic water was our major use of resource, which was used for office facilities such as washrooms and tea rooms. The waste water generated has been properly discharged through the designated pipe connected finally to the main pipe of the urban central sewage disposal network. During the Reporting Period, we consumed approximately 23,467 tonnes of water, representing an average monthly consumption of approximately 1,955 tonnes.

For details of our energy and water use efficiency initiatives, please refer to the section below titled "Environmental protection policies and measures".

Aspect A3: The Environment and Natural Resources

Given that the Group is principally engaged in the operation of online credit card management platform, save for the resources described in the previous section, the Group's operation does not consume other natural resources, nor does it have any significant impact on the environment. As a result, the Group has very limited impact on the natural environment. However, the Group is committed to environment protection and has adopted a series measures to mitigate the negative impact on the environment and resources.

A2方面：能源和資源使用

於報告期內，電力是我們使用的主要能源，用於辦公室的一般照明、機房以及辦公室設備的供電，如空調機、投影儀、計算機屏幕和打印機等。報告期內的總能耗約為2,101兆瓦時，平均每月消耗量約為175,095千瓦時。

於報告期內，一般生活用水是我們使用的主要資源，用於洗手間及茶水間等辦公室設施。產生的廢水均透過指定管道得到妥善處理，該管道網最終連接至城市中央污水處理的主管道。於報告期內，我們使用了約23,467噸水，平均每月消耗量為約1,955噸。

關於我們的能源及用水效益計劃在後面題為「環境保護政策及措施」的部分中作詳細介紹。

A3方面：環境及天然資源

除了上節中描述的資源外，因本集團的主要業務活動是運營線上信用卡管理平台，其運營模式不會消耗來自環境的其他資源，也沒有對環境造成任何重大影響。因此，本集團對自然環境的影響非常有限。然而本集團致力於環境保護，並採取了一系列的措施來減少對環境和資源的負面影響。

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Environmental protection policies and measures

As a leading comprehensive financial service company in the credit lending sector, we are committed to do the best in fulfilling our environmental responsibility. To achieve our ESG strategy, we regularly implement the following measures in the course of our business operations:

- (i) reminder slogans are posted on the bulletin boards and public spaces in the Company to enhance the environmental awareness among our employees and visitors;
- (ii) contracts are entered into with green plants service firms to regularly maintain and replace the green plants placed at the designated office areas, for the purpose of raising greening awareness and beautify the environment; and
- (iii) regularly update our policies and procedures and incorporate the environmental protection rules and standards into our daily work procedures. For example, as and when appropriate, to reuse papers and packaging materials, encourage green travel and car pooling for business trips and mitigate excessive printing by going paperless as much as possible. For the purpose to save energy and resources and reduce GHG emission, we encourage our employees to adopt the following practices in their work:
 - (1) turn off electronic equipment not in use or when they leave the office to save energy;
 - (2) save water at washroom and tea room and reduce the use of tissue paper;
 - (3) advocate green travel and use of car pooling for business trips;
 - (4) make regular check on our electrical equipment to ensure safety and operational efficiency;

環境保護政策及措施

作為一家信貸領域領先的綜合金融服務公司，我們致力把環境保護責任做到最好。我們於業務營運過程中定期執行以下的措施以實現我們的ESG戰略：

- 一、 在本公司公告欄及公共區域內張貼提示性標語，以提高員工及訪客的環保意識；
- 二、 與綠植服務公司簽訂協議，定期養護和更換在辦公指定區域內放置的綠植以提高綠化及美化環境的意識；及
- 三、 定期更新本公司的政策和程序，將環境保護的規則和準則納入日常工作流程中；如在符合條件下，重複使用紙張和包裝物、倡導綠色出行及外出出差時選用拼車，盡可能履行無紙化來減少過度打印。我們鼓勵員工採納以下的工作方式以達到節約能源、資源及減少溫室氣體排放：
 - (1) 在不使用或離開辦公室時關閉電子設備以節約能源；
 - (2) 在洗手間、茶水間節約用水、減少使用抹手紙；
 - (3) 倡導綠色出行及外出出差時選用拼車；
 - (4) 定期檢查我們的電力設備，以確保安全和運行效率；



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- | | |
|--|--|
| (5) make centralized purchase of office supplies for various departments and shorten the distance for delivery, so as to reduce the indirect emission from transportation; | (5) 集中各部門辦公用品訂單，縮短交貨距離，減少運輸間接排放； |
| (6) reuse or recycle packaging materials such as plastics, paper bags and cartons; | (6) 重複使用或回收包裝物，如塑料、紙袋及紙箱； |
| (7) mitigate excessive printing by going paperless as much as possible and maximum the use of electronic equipment for internal meeting and internal communication; and | (7) 通過盡可能無紙化來減少過度打印，最大限度地利用電子設備進行內部會議和內部通信；及 |
| (8) reuse printing paper where the requirements on personal data protection allow. | (8) 在符合個人數據保密要求的情況下，重複使用印刷紙。 |

We have been in strict compliance with the Environmental Protection Law of the People's Republic of China which came into force from 1 January 2015 and other laws and regulations relating to environmental protection such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution. During the Reporting Period, the Company neither received any complaints from any person or the relevant authorities, nor did it pay or become liable to any penalties arising from any violation of relevant environmental laws or regulations.

我們嚴格遵守2015年1月1日起施行的《中華人民共和國環境保護法》及其他與環境保護相關的法律法規如《中華人民共和國水污染防治法》等。在報告期內，本公司沒有收到任何個人或相關部門的投訴，也沒有支付或承擔由於違反有關環境法規而導致的任何處罰。

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5. OUR EMPLOYEE

Aspect B1: Employment

Our workforce represents the most important asset to our operation, which is also the cornerstone on which we could build up our sustainable development. As such, it is of our top priority to ensure that all our employees could have an impartial, harmonious, comfortable and safe working environment.

In this connection, the Company has formulated a set of human resources policy and employee manual, which comprised the key rules, regulations and procedures relating to employee management such as code of conduct, remuneration management system, holiday management, disciplinary measures, attendance checking, departure management, internal reposting and information safety, and rules and regulations relating to occupational health.

We respect and protect the rights of our employees. Our employees enjoy the protection under laws and the rights under the rules and regulations of the Company, which allows our employees to have equal opportunities in employment, reposting, salary adjustment, promotion and training despite of their race, nationality and gender. Meanwhile, the Company strongly respects and protects the rights of employees, and never tolerates any discriminatory acts in the working environment. The Company has put in place the relevant human resource policy covering employee remuneration, dismissal, recruitment and promotion, working hours and leave application, equal opportunities and other employee benefits, and has explicitly communicated such guides to all employees. In strict compliance with the relevant laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, the Company is committed to protecting the legal interests of employees and keeps on raising employee benefit, thus enhancing the employee loyalty.

五、我們的員工

B1方面：僱傭

員工是我們運營中最重要的資產，也是推動我們可持續發展的基石。因此，確保所有員工都享有一個公平、和諧、舒適和安全的工作環境是我們的首要任務。

為此，本公司制定了一套人力資源政策及員工手冊，包括行為規範、薪酬管理體系、假期管理、懲戒措施、考勤、離職管理、內部調動、信息安全等關於員工管理的關鍵規章制度和流程，以及與職業健康有關的規章制度。

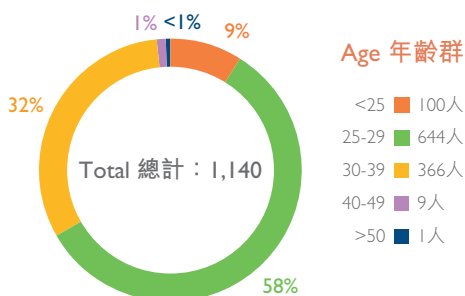
我們尊重和保護員工的權利。本公司僱員享有法律保障和公司制度賦予的權利，以使不同種族、國籍、性別的員工均能享受平等的就業、調崗、調薪、晉升及培訓機會。此外，本公司對員工權利予以高度的尊重和保障，亦絕不容忍在工作環境上發生任何歧視行為的發生。本公司已就僱員薪酬、解雇、招聘及晉升、工時及休假申請、平等機會及其他員工福利制定了相關人力資源政策，並已向所有員工清楚傳達該等指引。本公司嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等有關法律法規，切實保障員工合法權益，並不斷提升員工福利，增強員工歸屬感。

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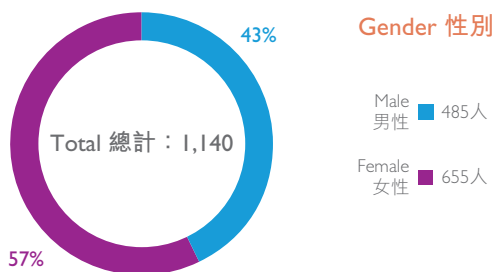
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Our workforce

As at the end of the Reporting Period, the Company had 1,145 employees located in PRC and Hong Kong. Set out below is the information of our employees by age and rank:



In PRC, we had a total of 14 management-level employees, while the remaining was mid-level and junior employees. Set out below is the information of our employees by gender:



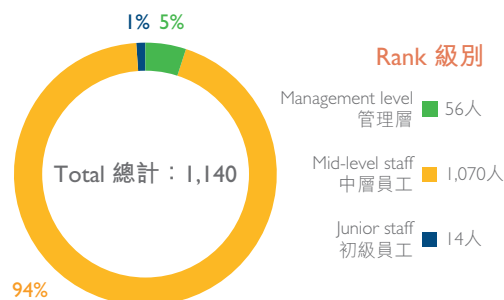
During the Reporting Period, the male-to-female ratio in the Company was about 2:3, showing that the female employees were slightly more than the male employees.

Talent recruitment and promotion

Our success is dependent on our ability to attract, retain and motivate high-caliber talents. We attract and maintain a stable team of core employees through providing a comfortable working environment, comparable remuneration package and appropriate employee assessment scheme as well as provision of training and personal development opportunities according to the position and development potential of the employees.

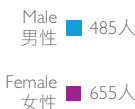
我們的勞動力

截止報告期期末，本公司有1,145名員工，來自於中國及中國香港。這些員工按年齡和級別分類如下：



中國管理層人員共有14人，其他為中層及初級人員。本公司的員工按性別分類如下：

Gender 性別



於報告期內，本公司的男女比例約為2:3，女性勞動力較多。

人才招聘及晉升

我們的成功取決於我們擁有吸引、留住和激勵高素質人才的能力。我們通過提供舒適的工作環境、可資比較的報酬和適切評估員工之方案、以及就員工之崗位及發展潛力提供培訓和個人發展機會以吸引和保持穩定的核心員工團隊。

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Through implementing the recruitment and promotion policies, we could ensure that decisions on recruitment, remuneration and promotion are made based on the level of capacity of the employees, while taking his/her working experience, qualifications and professional skills into consideration.

We strive to ensure our employees are reasonably remunerated and properly motivated. The remuneration management is conducted based on the position ranking system, which enables the position-based ranking, rank-based salary and salary change along with rank change. Our remuneration system mainly comprises several aspects: determining remuneration at the time of hire, adjusting remuneration at the time of promotion/demotion and conducting performance-based remuneration adjustment. In order to broaden the career development for our employees, the Company adopts a mode of “double ladder” development route, namely professional rank route (route P) and managerial rank route (route M). Rank promotion is made after taking various factors such as work performance, professional skills, experience and behavior into consideration. According to the comprehensive assessment scheme, rank promotion assessment is made available to each employee annually. Such assessment activities aim to motivate our employees to achieve their career objectives and reach their full potential, thus resulting a win-win situation.

Our service quality relies on the quality of our employees which in turn needs on-going update of their professional knowledge and skills. The employee training and development will be discussed in the following section titled “Aspect B3: Development and Training”.

Working hours

The Company adopts a flextime practice while staying in compliance with the standard 8-hour work system. Our employees may, in accordance with the relevant regulations, enjoy statutory holidays, annual leave, marriage leave, sick leave, bereavement leave, maternity leave, and leave in lieu, which is in strict compliance with the relevant requirements set out in the Labor Law of the People’s Republic of China, thus ensuring the rights of our employees to take rest and holiday.

我們通過執行招聘及晉升政策確保招聘、報酬和晉升決策基於員工所擁有的能力水平，同時考慮到其工作經驗、獲得的資格以及專業技能。

我們努力確保員工得到合理的報酬和適當的激勵。薪酬管理以崗位職級體系為基礎，做到以崗定級，以級定薪，級變薪變。我們的薪酬體系主要包括以下幾個方面：員工錄用時核薪、晉升、降職調薪和業績調薪等。本公司為拓寬員工的職業發展空間，統一實行「雙梯」發展序列的模式—專業職級序列（P序列）與管理職級（M序列）。職級晉升標準從工作業績、專業技能、經驗及行為等多方面進行考慮。根據綜合評估計劃，每年安排員工職級晉升評估。這些評估活動旨在激勵員工實現職業目標，發揮自身的最大潛能，從而達到雙贏的局面。

產品的服務質量倚賴於員工的素質，而員工的素質需要員工持續更新職業知識和技能。員工的培訓和發展將在後面題為「B3方面：發展與培訓」的部分中進行討論。

工作時數

本公司在執行標準8小時工作制度的基礎上，實行彈性上班制。員工可根據規定享有法定節假日、年假、婚假、病假、喪假、產假及調休假，嚴格遵守《中華人民共和國勞動法》有關規定以確保員工的休息休假權利。



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Aspect B2: Health and Safety

We are committed to providing the employees with a comfortable and safe working environment, maintaining and improving the employee welfare and ensuring that the Company stays in compliance with the relevant laws and regulations relating to occupational and workplace safety such as the Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

Workplace safety

We have put in place relevant policies to manage the workplace health and safety and engaged third-party professional institution to test and measure the environmental pollutants, which confirmed that during the Reporting Period the methanol, benzene and TVOC (total volatile organic compounds) in the samples tested at each of our workplaces comply with the requirements of GB50325-2010 regarding Class II civil building indicators.

Set out below are certain day-to-day measures taken for workplace safety:

- (1) each department head provides daily safety education to the department staff for the purpose of a satisfactory safety practice at offices;
- (2) safety warnings are posted at various areas and the safety exits are kept clear;
- (3) security personnel patrol the workplaces every day to avoid any unauthorized entries;
- (4) regular inspection and maintenance are arranged for the workplaces, building structures, fire control equipment and facilities to avoid any potential safety hazards therein;
- (5) strict control is exercised over smoking to prohibit any smoking in the undesignated smoking areas at the workplaces;
- (6) purchase ergonomic chairs for the employees, which could protect their spine and lumbar; and
- (7) massage chairs and fitness equipment are placed in the recreational areas for the employees.

B2方面：健康與安全

我們致力為員工提供一個舒適及安全的工作環境，持續維護和改善員工的福利，並確保公司符合職業及工作場所安全相關的法律法規如《中華人民共和國職業病防治法》等。

工作場所安全

我們已制定工作場所健康及安全管理相關的政策，並針對工作場所的安全聘請第三方專業機構進行環境污染物檢測，確認在報告期內各辦場所所檢測樣品中的甲醛、苯和TVOC（總揮發性有機物）均符合GB50325-2010中II類民用建築工程指標的要求。

與工作場所安全相關的一些具體日常措施如下：

- 一、 各部門負責人向部門員工進行日常性的安全教育，真正做好辦公室內的安全防範工作；
- 二、 各區域張貼安全標識，於安全出口位置保持暢通；
- 三、 保安人員每天於工作場所進行巡查杜絕閒雜人等；
- 四、 定期安排檢查及維護工作場所、樓宇結構、消防設備及設施以避免安全隱患；
- 五、 嚴格管制吸煙行為，嚴禁在工作場所非吸煙區域內吸煙；
- 六、 為員工採購人體工學座椅，保護員工的脊椎及腰椎；及
- 七、 在休閒區安置按摩椅、健身裝備等供員工使用。

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Welfare

Apart from the employment welfares stipulated in the Labor Law of the People's Republic of China, we also provide additional welfares to the employees for the purpose to enhance employee protection and maintain their physical and mental health.

In respect of employee protection, we maintain the group commercial supplementary medical, traffic accident and accident injury insurances for the employees, which could help to cover the salary loss and medical expenditure of the employees in case of illness or work injury. In addition, the Company also provides annual physical check-up for all our employees who, at the end of the prior year, had been in service in the Company for not less than half a year.

As to employee's physical and mental health, the Company offers tea break during work time and travel subsidy for overtime work, arranges team travel activity every year and organizes various sports and recreational activities on a regular basis.

During the Reporting Period, we had 4 people suffered from work injury with 52 lost work days in total, while we had no serious work-related injuries or fatalities.

Aspect B3: Development and Training

We believe that the on-going update of employee's vocational knowledge and skills is critical to the business development of the Company. To this end, the Company has formulated the relevant policies to provide the employees with systematic training and professional development and ensure that the employees could receive training appropriate to their respective circumstances, so as to meet the need for continuous professional training by their respective vocations.

福利

除了《中華人民共和國勞動法》規定的就業福利外，我們亦為員工提供額外的福利項目以提高員工的保障及保持員工身心健康。

員工保障方面，本公司為在職員工統一投保團體商業補充醫療、交通意外和意外傷害保險，當不幸發生疾病或工傷事故時，為員工提供薪資損失及醫療費用的支持。此外，本公司還提供年度體檢為在截止到上年末入職滿半年的在職員工提供年度體檢。

在身心健康方面，本公司提供工作茶歇及延時工作出行補助，每年組織員工團隊旅行及定期組織各類康體及興趣活動。

在報告期內，工傷人數4人，因工傷損失的工作日總計52天，並無發生有關工作的嚴重傷亡事故。

B3方面：發展及培訓

我們認為員工持續更新職業知識和技能對本公司業務發展尤其重要。就此，本公司已制定相關政策，通過有系統的培訓和專業發展，確保不同員工得到相應的培訓，以滿足他們各自職業的持續專業培訓要求。



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Set out below is the information of the types of training courses completed during the Reporting Period:

報告期內完成的培訓主題類型如下：

| Training course 培訓主題 | Training hour (Hour) 培訓時長 (小時) |
|--|-----------------------------------|
| Induction training 入職培訓 | 3,328 |
| Professional skills 專業技能 | 3,500 |
| Communication skills and emotional management 溝通技巧及情緒管理 | 1,328 |
| Total training hours 總培訓時間 | 8,156 |

Set out below is the information on the average training hours completed per employee by gender and employee category:

按性別和員工級別分列的每名僱員完成培訓的平均時長如下：

| Category 類別 | Average training hours (Hour) 平均培訓時長 (小時) |
|---|--|
| By gender 按性別 | |
| Female 女性 | 6.89 |
| Male 男性 | 7.35 |
| By employee category 按員工級別 | |
| Management 管理層 | 6.86 |
| Mid-level employee 中層員工 | 17.29 |
| Junior employee 初級人員 | 6.63 |

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Aspect B4: Labor Standards

The Company places much importance on and strictly complies with all applicable national laws and local regulations in the places where we operate our business, and prohibits any unethical business practices. The Company has put in place stringent recruitment procedures which require all candidates to give, prior to being hired, their identity documents such as identity card for screening by our human resources department, so as to avoid the recruitment of any child labor and other illegal labor. We prohibit any forms of forced labor to ensure the employees could work on a voluntary and lawful basis.

Our work schedule represents the reasonable arrangement for the employees in the context of the Labor Law of the People's Republic of China, which ensures they could have sufficient rest and a proper work-life balance and provide excellent service. The Company may arrange overtime work as the circumstance demands, and provide compensation in accordance with the Labor Law of the People's Republic of China and other relevant labor laws and regulations. During the Reporting Period, the Company had no significant non-compliance with the Labor Law of the People's Republic of China and other relevant labor laws and regulations.

6. OUR SERVICE

Our business commenced in May 2012 when we launched "51 Credit Card Manager", a mobile application that can smartly manage credit card bills at one touch and greatly satisfy the demand for personal liabilities management of users, especially for multi-card users. Subsequently in August 2012, we established Hangzhou Enniu as the operating entity for the App. Since incorporation, our business has covered personal credit management, credit card technology services and online credit facilitation and investment services, and owned several mobile applications, including the 51 Credit Card Manager App. We have become a leading financial technology services group in China.

B4方面：勞工準則

本公司高度重視並嚴格恪守業務運營地所有適用的國家法律及地方法規，禁止不道德的商業行為。本公司已設定嚴格的招聘程序在擬錄用人員在入職前需提交身份證等身份證明類文件供人力資源部審核，以杜絕招用童工及其他非法用工行為，禁止任何勞役強迫勞工的行為，以確保員工在自願合法的基礎上參與勞動。

工作時間表是在《中華人民共和國勞動法》標準範圍內作出的合理安排，以確保他們有足夠的休息和適當的工作生活平衡，並提供卓越服務質量。本公司根據實際需要安排加班，並按照《中華人民共和國勞動法》及相關勞動法律法規給予補償。本公司於報告期內並無發生與《中華人民共和國勞動法》及相關勞動法律法規的重大不遵循事項。

六、我們的服務

我們的業務始於2012年5月，當時推出了手機應用程式「51信用卡管家」，利用一鍵智能管理信用卡賬單的手機應用程式，極力滿足用戶尤其是多卡用戶對自身負債進行管理的需求。隨後我們於2012年8月成立了杭州恩牛作為該手機應用程式的運營主體。發展至今，我們的業務已涵蓋個人信用管理、信用卡科技服務及線上信貸及投資服務，旗下擁有51信用卡管家應用等多款手機應用程式，成為中國領先金融科技服務集團。



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With our credit card management platform serving as the foundation and entry point, we develop and operate a dynamic and self-reinforcing ecosystem addressing a spectrum of our users' financial needs. We enable our users to easily compare and apply for credit cards that suit their profile and credit needs through our credit card technology services, which in turn help them to build their credit record and achieve better credit management. The credit card management platform actively monitor users' credit card bills and other personal financial liabilities and issue periodic repayment reminders. With this information, our credit active users may consider taking extra credits to satisfy their ongoing financial needs and obtain appropriate online loans through our online platform. For users who look for investment opportunities, we provide them with convenient and diversified investment opportunities. Leveraging the large amount of credit data accumulated on our platform to assess risk and determine the creditworthiness of borrowers, our platform provides borrowers who are underserved or unserved by traditional financial institutions with access to credit facilitation services.

Our three main services (namely personal credit management services, credit card technology services and online credit facilitation and investment services) gradually established a coherent and dynamic financial services ecosystem in a synergistic manner.

Such ecosystem is further strengthened by other participants, including banks offering convenient credit card application process through our platform and other online consumer finance marketplaces enabling our users to further explore and compare a variety of loan products. We have developed in-depth cooperation with several credit card issuing banks in the areas of data application, credit analytics and risk profiling. Leveraging the highly valuable mobile traffic on our platform, data analytics capabilities and robust risk management capabilities, our platform keeps attracting third-party business partners such as credit card issuing banks and external online consumer finance platforms, boosting the continuous growth of our business.

以信用卡管理平台為基礎及切入點，我們開發並運營一個動態且自我強化的生態系統，滿足用戶一系列的金融需求。用戶通過我們的信用卡科技服務，方便地比較及申請適合其個人狀況及信貸需求的信用卡，從而協助彼等建立信用記錄並實現更好的信用管理。信用卡管理平台積極監察用戶的信用卡賬單和其他個人財務負債，發出定期還款提醒。有了這些信息，信貸活躍用戶可能會考慮額外的信貸來滿足彼等的持續財務需求，並透過我們的線上平台獲得適切之網絡貸款。對於尋求投資機會的用戶，我們為其提供便利且多元化的投資機會。利用我們平台積累的大量信用數據來評估風險並確定借款人的借貸能力，我們的平台能彌補傳統金融機構服務不足，為未獲傳統金融機構充分服務的借貸人提供信貸撮合服務。

我們的三個主要服務（包括個人信用管理服務、信用卡科技服務以及線上信貸撮合及投資服務）以協同效應的方式逐步建立連貫動態的金融服務生態系統。

此生態系統因其他參與者得以進一步加強，包括通過我們的平台提供方便的信用卡申請程序的銀行以及有助用戶能夠進一步探索和比較各種貸款產品的其他線上消費金融市場。我們已與多家信用卡發卡銀行在數據應用、信用分析及風險分析領域展開深入合作。憑借我們平台上極其寶貴的用戶流量、本公司的數據分析能力及強大的風險管理能力，51信用卡平台持續吸引信用卡發卡銀行及外部線上消費金融平台等第三方業務夥伴，令本公司業務持續向上發展。

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Aspect B5: Supply Chain Management

Our suppliers primarily comprise providers for traffic acquisition services, custody services, collection services, IT services and payment services.

We have established policies and procedures to ensure our suppliers meet standards. Before including a supplier into our supplier list, we make a series of examination including examining its certifications, qualifications and reputation to ensure they could provide us with reliable and trustworthy products or services in compliance with the relevant laws and regulations in the PRC such as anti-money laundering and anti-terrorist laws and regulations. Suppliers are selected in accordance with the relevant rules and regulations of the Company on the principle of openness, impartialness and fairness and by way of appropriate methods such as bidding.

Aspect B6: Product Responsibility

As online consumer finance and micro loan business gain increasing popularity and continue to evolve, and the increasing users' demand for our products, there have been changes in the regulations of the PRC government on online lending industry. In view of such new developments, we also continuously enhance the technological and risk management capability of the Company, so as to ensure our products and services could meet the demand of various stakeholders.

We utilize our proprietary comprehensive credit analytics system, iCredit, to enhance our risk management capabilities, which is built based on massive data collected through our credit management platform and various other channels, and strengthened by our sophisticated artificial intelligence and advanced machine learning techniques. The iCredit system categorizes borrowers into different credit ratings according to their risk profiles, based on which our risk pricing system assigns them with appropriate interest rates and credit limits.

B5方面：供應鏈管理

51信用卡的供應商主要包括流量獲取服務、託管服務、收款服務、IT服務及付款服務供應商。

我們建立了政策和程序，以確保供應商符合標準。在把供應商列入我們的供應商名單之前，須經過一系列的審查過程，包括審查其認證、資質和行業口碑，以確保他們提供的產品或服務是可靠和可信，並按照相關的中國法律法規如遵守反洗錢和反恐等法律法規進行。供應商的選擇是本公司的根據相關規定執行，遵循公開、公平、公正的原則，採用招標等適當的方式，擇優選定。

B6方面：產品責任

隨著網絡消費金融及小額貸款業務的流行及不斷的發展，在用戶對我們產品要求不斷提升的同時，中國政府亦對在線信貸行業的規範不斷作出變更。就該等新發展，我們也須緊跟步伐，不斷提升本公司的技術及風險管理實力，以確保我們的產品及服務能滿足各持份者的要求。

我們利用自家開發的全面信貸分析系統 iCredit 以增強我們的風險管理能力。該系統是基於我們的信用管理平台及多個其他渠道收集的海量數據建立，並透過高級人工智能及先進機器學習技術作出改進。iCredit系統根據風險預測按不同信用評級對借款人進行分類，風險定價系統據此安排彼等適當的利率及信貸限額。



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We have established relevant policies in relation to product responsibility management, to ensure there would be no absolute wording in our product description, and avoid the use of terms such as “guarantee of principal”, “risk-free” and “guarantee of return”, or similar terms which would mislead the Internet finance consumers. In addition, we are prohibited to make any false or misleading statement regarding the income and security of the investment products, make any guarantee commitments on the future performance, income or any related circumstances of any products or services with an expected investment return, or directly or indirectly make a commitment on guaranteed principals and interests, including either through our official website, mobile application or in any relevant contracts or agreements.

In order to prevent the product responsibility risk, the Company established a comprehensive risk management system, which covers risk management framework, risk assessment procedure and risk warning management.

Under our risk management framework, the day-to-day risk management is performed by chief risk officer, together with various functional posts in charge of financial model analysis, strategy analysis, anti-fraud analysis, credit control, collection control and data analysis.

We adopt a four-step approach to make risk assessment on the borrowers for our platform:

- (1) identity verification. We make multidimensional verification on the basic information provided by our borrowers, including making detailed and meticulous due diligence investigation through the Internet, phone and other effective channels, so as to verify the identity of the customers;
- (2) fraud risk assessment. For customers with different types of fraud risk, we employ a number of core technologies such as big-data anti-fraud technology, deep learning and relationship analysis by knowledge mapping to make real-time monitoring and dynamic warning against any possible fraud, thus minimizing the risk of fraud;
- (3) credit risk assessment. We employ the credit risk assessment system to assess customers' repayment ability, repayment willingness and credit risk level, and hence formulate corresponding credit risk strategies and rules; and

我們制定了產品責任管理相關的政策確保在產品描述中避免使用絕對化用語，避免使用「保本」、「無風險」、「保收益」等用語或近義詞誤導互聯網金融消費者。此外，本公司嚴禁對投資理財類產品的收益、安全性等情況進行虛假誤導的表述，嚴禁對有投資回報預期的產品及服務的未來表現、收益或與其相關的情況作出保證性承諾，也嚴禁直接或間接承諾保本保息的行為，包括在官方網站、手機應用程式等對外宣傳及相關合同協議。

為防範產品責任風險，本公司建立了完善的風險管理體系，包括風險管理框架、風險評估流程及風險預警管理情況。

風險管理框架由首席風控官連同金融模型分析、策略分析、反欺詐分析、信審管控、催收控制以及數據分析師各職能設置對風險管理進行日常管理。

本平台對借款客戶的風險評估採用四步法：

- 一、身份核實。對借款客戶提供的基本資料信息，進行多維度的信息校驗，同時也包括通過網絡、電話及其他的有效渠道進行詳實、仔細的盡職調查，從而實現對客戶身份的核實；
- 二、欺詐風險評估。針對不同類型欺詐風險的客戶，利用大數據反欺詐技術、深度學習、知識圖譜關聯分析等多項核心技術，實時監測並動態預警潛在欺詐威脅，降低欺詐風險；
- 三、信用風險評估。利用信用風險評估系統，評估客戶的還款能力與還款意願及客戶的信用風險等級，制定相應信用風險策略規則；及

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- (4) manual review. Experienced examining staff examine the customers' information such as photo on the identity card, occupation, education and use of loan, to have a comprehensive assessment of the risk profile of the customer.

We have also established the control system for marketing and promotional activities to strengthen our product responsibility, details of which are as below:

- (1) the business department shall conduct marketing and promotional activities in relation to only such business which is legally permitted to operate, and shall ensure the content of such marketing and promotion complied with the scope and content of the business which is legally permitted to operate;
- (2) prior to conducting any marketing and promotional activities, the business department shall evaluate the relationship between such activities and the potential contractual obligations, work out proper plans and well address the engagement between such activities and the related work, so as to protect the legal interests of Internet finance consumers;
- (3) the risks relating to financial products and services shall be highlighted in the course of marketing and promotional activities, so as to remind the Internet finance consumers to exercise caution before making a transaction; and
- (4) in case of any marketing and promotional activity in cooperation with a third party, contract shall be entered into in accordance with laws to specify the responsibilities of both parties in respect of design, production, advertising and other related work. In addition, we shall urge and supervise the third party to fulfill its contractual obligations, and ensure an effective implementation of the requirements of laws and regulations as well as the control system for marketing and promotional activities.

In addition, we are subject to strict regulation by China Banking Regulatory Commission (CBRC) and National Internet Finance Association of China. During the Reporting Period, we devoted a large amount of time and resources to ensure our compliance with regulations and policies of the PRC government. Details of these laws and regulations are set out in the following paragraphs. We had no significant violations during the Reporting Period.

- 四、人工審核。由經驗豐富的審核人員對客戶資料如身份證照片、工作、教育及借款用途等信息進行核實，綜合評估客戶的風險狀況。

我們公司制定的營銷和宣傳活動審查制度也有利於加強產品責任，詳細準則如下：

- 一、業務部門應當僅限於針對自身依法可開展的業務進行營銷和宣傳活動，並確保所營銷和宣傳的內容與依法可開展的業務範圍、內容相符；
- 二、業務部門在開展營銷和宣傳活動前，應當評估該等活動與潛在合同義務之間的關係，制定適當的工作方案，妥善處理該等活動與相關工作之間的銜接問題，以保護互聯網金融消費者合法權益；
- 三、各產品應當在營銷和宣傳活動中提示金融產品、服務的風險，引導互聯網金融消費者謹慎交易；及
- 四、與第三方合作開展營銷和宣傳活動時依法訂立合同，明確雙方在設計、製作、宣傳及其他相關工作中的責任，並督促第三方履約，確保法律法規和營銷和宣傳活動審查制度的要求得到有效實施。

此外，我們受到來自中國銀行業監督管理委員會和互聯網金融協會的嚴格監管。在報告期內，我們投入了大量的時間和資源以確保遵守中國政府的規章和政策。該等法律法規將會在以下段落詳細描述。我們在報告期內不存在重大違紀行為。



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Apart from the annual audit for our annual report, we also have specific audits on the key aspects such as clients' fund management, information disclosure and operational compliance, for the purpose of a sound risk control and compliance with regulatory requirements.

Handling of complaints

We take all complaints and suggestions seriously and view them as a mean assisting us to continuously improve our service quality. We have established a sound customer service system for complaints to receive all customer complaints, advices and suggestions from public sentiment, regulatory authorities, procuratorial organs and media organizations. The Company has in place dedicated department to collect these information and arrange, based on the subject of complaints, appropriate personnel to follow up and deal with the complaints, which would ultimately provide our users with a satisfactory reply. During the Reporting Period, we did not receive any material complaints in relation to our services.

Protection of intellectual property rights

We respect and protect intellectual property rights. Trademarks are important intangible assets of the Company. For enhancing trademark management, we have established a set of trademark management policies according to the actual circumstances of the Company and the Trademark Law of the PRC, Regulation for the Implementation of the Trademark Law of the PRC and the relevant and regulations laws promulgated by the National Trademark office, to regulate the naming, application and use of trademarks, and protect the trademark proprietary rights of the Company and third parties. After the application of registration of trademark, the trademarks would be centrally managed by the legal department, which would serve as the basis for the use of the trademarks. Without the written authorization of the Company, any third party is not permitted to use such trademarks on any similar products of the Company or within the scope of such registration. With regard to the third parties authorized by the Company to use our registered trademarks, the relevant business departments and the legal department would exercise necessary supervision and regularly review their use of such trademarks.

In addition to the duties on trademark supervision performed by the legal department, the employees will also notify, through the relevant communication channels and mechanisms, to the legal department any infringement on the trademarks by any third parties. The infringement, once verified through investigation, would be submitted to the decision-making department, the legal department may decide whether to report the infringement to the administration agency for industry and commerce or initiate a lawsuit with the People's Court, for the purpose to stop and crack down such trademark infringement behavior. All these measures could effectively prevent us from infringing the intellectual property rights by any third parties and vice versa.

除了每年接受年報審計檢查外，我們還會針對譬如客戶資金管理、信息披露、經營合規性等重點環節接受專項審計檢查，以做好風險控制及遵守監管要求。

投訴處理

我們認真對待所有的投訴和建議，並將它們視為持續改進我們服務質量的手段。我們已建立完善的客戶服務投訴制度，接受來自輿情、監管機構、公檢法及媒體機構產生的所有客戶投訴及意見建議。本公司設有專門部門負責收集這些信息，並根據用戶投訴內容分配合適的處理人員進行處理跟進，使最終使用戶得到滿意的答覆。在報告期內，我們沒有收到與服務有關的重大投訴。

知識產權保護

我們尊重和保護知識產權。商標是本公司重要的無形資產。為了加強商標管理，我們依據本公司實際情況及《中華人民共和國商標法》、《商標法實施條例》和國家商標局公佈的有關法律法規制定了一套商標管理政策，規範本公司的商標命名、商標申請和商標使用，同時保護本公司及第三方的商標專用權。商標申請註冊完成之後，由法務部統一管理，作為商標使用的依據，未經本公司書面許可第三方不得在本公司近似產品或商標註冊範圍內使用。獲本公司許可第三方使用註冊商標的第三方，相關業務部門和法務部會進行必要的監督及定期檢查商標使用情況。

除法務部履行商標的監察職能外，我們的員工如發現第三方侵犯公司商標的行為亦會通過相關溝通渠道及機制告知法務部。事件經查證屬實後會提交決策部門，由法務部決定是否申報工商行政管理機關處理或向人民法院提出訴訟等處理方式，制止並打擊商標侵權行為。這些措施都能有效地防止51信用卡侵犯第三方，以及第三方侵犯我們的知識產權。

Environmental, Social and Governance Report

環境、社會及管治報告

Protection of personal information

Our credit management tool, the 51 Credit Card Manager App, is the cornerstone for the development of our financial services ecosystem. We obtain the credit card statements of our users primarily from the users' email accounts based on the users' authorization or from the users' import, which forms the basis for us to provide customers with our credit management service. The day-to-day operation of our credit card management platform involves processing and storing a large amount of personal information of users, which includes not only the basic personal information (including mobile phone number or account information of social media) provided to us at the time of registering an account, but also the credit card transaction records from different banks, consumption history records for different occasions, and repayment data through users' life cycles. Our brand reputation is critical to our business and competitiveness. Therefore, it is a very important task for us to ensure the security of personal information and comply with the relevant laws and regulations relating to Internet security and privacy protection. The relevant laws and regulations relating to Internet security include the Cybersecurity Law of the PRC, which was promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on 7 November 2016 and became effective on 1 June 2017, and the Measures for the Security Review of Network Products and Services (Trial) (《網絡產品和服務安全審查辦法(試行)》), which was promulgated by the Cyberspace Administration of China on 2 May 2017 and became effective on 1 June 2017. The relevant laws and regulations relating to privacy protection include the Several Provisions on Regulating the Market Order of Internet Information Services (《規範線上資訊服務市場秩序若干規定》) promulgated by the Ministry of Industry and Information Technology of the PRC (the "MIIT") in December 2011, the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》) promulgated by the SCNPC in December 2012, the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和線上用戶個人信息保護規定》) promulgated by the MIIT in July 2013, the Ninth Amendment to the Criminal Law which was issued by the SCNPC in August 2015 and became effective in November 2015, GB/T 35273-2017 Information Technology – Personal Information Security Specification (GB/T 35273-2017《信息安全技術個人信息安全規範》) promulgated by the National Standardization Management Committee on 29 December 2017 and became effective on 1 May 2018. In relation to the criminal penalty to be imposed on any Internet service provider that fails to fulfill the obligations related to Internet information security administration as required by applicable laws, the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information which was released by the Supreme People's Court and the Supreme People's Procuratorate on 8 May 2017 and became effective on 1 June 2017, providing more practical conviction and sentencing criteria for the infringement of citizens' personal information, and the provisions of the Cybersecurity Law of the PRC in relation to privacy protection.

個人信息保護

我們的信用管理工具51信用卡管家應用為我們金融服務生態系統發展的基石。我們根據用戶授權或用戶導入自用戶的電郵賬戶獲得信用卡賬單來為客戶提供信用管理服務。信用卡管理平台日常處理及儲存大量用戶的個人信息，這些信息除包括註冊賬號時提供基本的個人信息(包括移動電話號碼或社交媒體賬戶信息)外，還包括來自不同銀行的信用卡交易記錄、不同消費場合的消費記錄以及用戶在生命週期內的還款記錄。品牌聲譽對我們的業務及競爭力至關重要。因此保障個人信息安全、以及遵守線上保安與私隱保障相關法律及法規是我們非常重要的任務。線上保安的相關法規包括全國人大常務委員會於2016年11月7日頒布及於2017年6月1日生效的《中華人民共和國網絡安全法》以及線上信息辦於2017年5月2日頒布及於2017年6月1日生效的《網絡產品和服務安全審查辦法(試行)》。而私隱保障相關法規包括工信部於2011年12月頒布的《規範線上資訊服務市場秩序若干規定》、全國人大常務委員會於2012年12月頒布的《關於加強網絡信息保護的決定》、工信部於2013年7月頒布《電信和線上用戶個人信息保護規定》、全國人大常務委員會於2015年8月頒布及於2015年11月生效的《中華人民共和國刑法修正案(九)》、國家標準化管理委員會於2017年12月29日頒布及於2018年5月1日生效的GB/T 35273-2017《信息安全技術個人信息安全規範》。關於對網絡服務提供者不履行法律的資訊網絡安全管理義務的刑罰，最高人民法院及最高人民檢察院於2017年5月8日頒發《最高人民法院及最高人民檢察院頒發關於辦理侵犯公民個人資訊刑事案件適用法律若干問題的解釋》，並於2017年6月1日生效，解釋規定侵犯公民個人資訊的更實際定罪及判決準則以及《中華人民共和國網絡安全法》內關於私隱保障的規定。



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In order to raise the awareness of our employees regarding information security, our day-to-day operations are carried out in compliance with the requirements of the relevant laws and regulations of the PRC government in relation to Internet security and privacy protection. In order to keep alert for attacks from external or internal sources, we have implemented the relevant policies and adopted a series of the following measures to protect privacy and information security, which are detailed as below:

- (1) encryption and privacy protection. Our platform employs sophisticated Internet technology to effect multiple authentication and encryption for data such as all the account information and capital information, which shall not be disclosed without the consent of our customers and the authorizations by relevant laws and regulations;
- (2) security technology support. We apply multi-layer firewall to monitor the data security and the our intrusion detection system would make real-time feedback to prevent any intrusion and hence ensure the information security;
- (3) bank custody. We have set up a custody account with a third-party bank to hold our users' fund, which could better protect the security of capital information;
- (4) at the time of hire, our human resource department have arranged the signing of formal labor contract and confidentiality agreement with the employee. The confidentiality agreement clearly provides for, among others, the content subject to confidentiality and the validity term of the agreement; and
- (5) where a third party stay in the Company for business purpose, the relevant department of the Company is responsible for the management of such third party and arrange due registration with the administrative department. Such third party shall also sign a confidentiality agreement with the Company to inform the third party of the prohibited behaviors. We have strict regulations on the activities, limits of authority, use of resources of such third party at the Company. Without our prior approval, no confidential information shall be disclosed to any person. It is strictly prohibited to copy, spread or disclose, without our authorization, any confidential information such as customer's identity and transaction records.

為了提高員工信息安全的意識，我們日常業務依據中國政府線上保安及私隱保障相關法律法規的要求。為提高警惕防範不論外來或是內部的攻擊，我們實施了相關的政策，並且有以下一系列的操作保障信息隱私和信息安全，詳情如下：

- 一、 加密及隱私保護。我們平台使用先進的互聯網技術對所有賬戶信息及資金信息等數據實施多重認證和加密，在未經客戶同意以及相關法律法規規定的情況下，不得將信息外洩；
- 二、 安全技術支持。我們設置了多層防火牆保障數據的安全監控，入侵檢測系統時時反饋，防範入侵，以確保信息的安全；
- 三、 銀行存管。我們於第三方銀行開設存管賬戶以存管用戶資金，更能妥善保障資金信息的安全；
- 四、 員工入職時，人力資源部已經與員工簽訂正規的勞動合同以及保密協議，保密協議中明確地告知員工需保密的內容，協議有效時間等；及
- 五、 當第三方因為工作需要在本公司駐場時，由本公司內部對接部門負責管理並配合行政部門做好登記工作，並與本公司簽訂保密協議，告知第三方人員禁止的操作行為。該第三方人員在本公司活動、權限、資源使用都有嚴格的規定。任何保密信息未經我們的事先批准，將不會透露給任何人。嚴禁擅自複製、傳播、洩露客戶身份和交易記錄等機密信息。



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In addition, we plan to enhance our technology and risk management infrastructure, in particular for big data analysis and artificial intelligence technology with the focus on anti-fraud, deep learning in image analysis, behavior analysis, relationship mapping, automatic user interaction and intelligent user operation. Specifically, investment in artificial intelligence and big data will enable us, among others, to

- (i) further develop facial recognition and voice recognition system to minimize the risks of fraud;
- (ii) increase the level of automation and precision of our interactive Help Center that serves as a starting point for any question our users may have; and
- (iii) optimize our risk pricing capabilities in data processing and analysis.

Aspect B7: Anti-corruption

We have established internal control policies and procedures with respect to monitoring and reporting of any suspected money laundering activities as part of our due diligence and risk assessment procedures, so that we could comply with the requirements of laws and regulations such as the Criminal Law of the People's Republic of China and the Anti-money Laundering Law of the People's Republic of China regarding corruption acts, anti-money laundering and anti-terrorism. These procedures include:

- (i) taking multiple identity verification measures against loan applicant;
- (ii) performing comprehensive analysis to assess the money-laundering risks of the loan applicant;
- (iii) identifying and monitoring suspicious transactions;
- (iv) reporting the identified suspicious transactions to relevant government authorities; and
- (v) providing ongoing anti-money laundering training to our employees.

另外，我們計劃加強我們的技術及風險管理基礎設施，尤其是大數據分析及人工智能技術領域，藉以專注於反欺詐、圖像分析深度學習、行為分析、關係影射、自動用戶互動及智能用戶操作。具體而言，人工智能及大數據方面的投資令我們可（其中包括）：

- 一、 進一步開發人臉識別及語音識別系統以盡量減少欺詐風險；
- 二、 提高我們交互式幫助中心（作為我們用戶可能遇到的任何問題的起點）的自動化水平及精確度；及
- 三、 優化我們在數據處理及數據分析方面的風險定價能力。

B7方面：反腐倡廉

我們已設立內部控制政策及程序，在我們的盡職調查及風險評估過程中監察及報告任何疑似洗黑錢活動，以符合《中華人民共和國刑法》及《中華人民共和國反洗錢法》等法律法規內與腐敗行為、反洗黑錢及反恐有關之法律要求。該等程序包括：

- 一、 對貸款申請人採取多重身份認證措施；
- 二、 全面分析及評估貸款申請人的洗黑錢風險；
- 三、 識別及監察可疑交易；
- 四、 向相關政府機構報告所識別可疑交易；及
- 五、 向員工提供持續的反洗黑錢培訓。



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As part of our risk management procedures, we also ensure that loans from us and from our financing partners are deposited to the correct borrowers' bank accounts and use our custodian bank as intermediaries for settlement and payment to further reduce money laundering risks.

The Company strictly prohibits bribes and corrupt practices of any form. We have established policies and procedures to impose severe penalty on any employee committing corruption. During the Reporting Period, the Company had no corruption or bribery cases.

7. OUR COMMUNITY

Aspect B8: Community Investment

Apart from being committed to becoming a socially responsible enterprise, the Company also encourages its employees to actively devote themselves to public welfare and take part in public welfare activities.

Set out below are some of our contributions and programmes in respect of community investment during the Reporting Period:

- (1) We donated HK\$1,000,000 to the Community Chest of Hong Kong in June 2018, as our support to its mission to help the underprivileged and needy people which it has done so for half a century, and actively promote a range of community welfare services in Hong Kong;
- (2) "Rainbow Programme-Home of 51 Credit Card" (彩虹計劃·51信用卡之家) is our public welfare programme aiming to give a warm home to the kids. The Company will provide long-term financial assistance to the kids in the rural area at Hualansi Primary School, Dangbao Village, Dingxi, Gansu;
- (3) In the "West Lake Mountains Charity Walk" (西湖群山公益毅行), a total of RMB23,500 charity fund was received by all the teams of this activity. The Company will donate such charity fund in the name of the team, which will be used for building a basketball court at Hualansi Primary School in Gansu. It is estimated to cost approximately RMB200,000 to build such basketball court, and the outstanding amount will be donated by the Company;

作為風險管理程序的一環，我們亦確保源自我們及融資夥伴的貸款存入正確的借款人銀行賬戶，並通過托管銀行作為中介機構結算及支付，以進一步降低洗黑錢風險。

本公司嚴禁賄賂和腐敗行為。我們已訂立政策及程序，向任何作出腐敗行為的員工作出嚴厲的處罰。在報告期內，本公司並無任何貪污或賄賂個案。

七、我們的社區

B8方面：社區投資

本公司除了致力於成為一個對社會負責的企業外，也鼓勵員工身體力行積極投身於公益事業，熱心參與公益活動。

以下是我們在報告期內投放於社區的一些貢獻及活動：

- 一、我們於2018年6月向香港公益金捐款100萬港元，以支持它肩負了半個世紀扶弱濟困的使命，在香港積極推行各種社會福利服務，惠澤社群；
- 二、「彩虹計劃·51信用卡之家」這公益項目旨在給予孩子一個溫暖的家。本公司將長期資助在甘肅省定西市通渭縣黨堡村山區·花蘭寺小學的孩子們；
- 三、「西湖群山公益毅行」所有團隊於這活動中共獲公益金人民幣23,500元。本公司將以團隊名義捐贈該筆善款，用於修建甘肅花蘭寺小學的籃球場。本次修建預計需花費約人民幣20萬元，剩餘金額由本公司進行捐贈；

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- (4) At the “51 Credit Card – Night of New Spirit Beast” (51信用卡·新靈獸之夜), public welfare programme titled “Rainbow Programme – Home of 51 Credit Card”(彩虹計劃·51信用卡之家) will be further promoted to encourage more people to participate in such event, with a view to helping these kids in the rural area in the long run;
- (5) “Migrant Bird Programme”(候鳥計劃) is a public welfare programme aiming to care the kids of sanitation workers. The Company invited 18 “left-behind” kids of the sanitation workers servicing the Jiangcun Village Sub-district where the Company is located to have one-day workplace experience at the Company’s headquarter to arouse their Chinese Dreams; and
- (6) “4:30 P.M. School Programme” is organized by the Company in the “Used Books in Exchange for Green Plants”(書香換花香·舊書換綠植) activity in November 2018, targeting poverty alleviation initiative, at which over 360 books in total were donated to the 4:30 P.M. School at Xuan’en, Enshi, Hubei.
- 四、 「51信用卡·新靈獸之夜」上將進一步對「彩虹計劃·51信用卡之家」公益項目進行推介，以呼籲更多的社會大眾參與，長期幫助這些山裡的孩子；
- 五、 「候鳥計劃」這公益項目旨在關愛環衛工人子女。本公司邀請本公司所在的蔣村街道裡的環衛工人的18位留守兒童來本公司總部進行為期一天的職場體驗，激發其中國夢；及
- 六、 「四點半學堂計劃」是本公司於2018年11月開展「書香換花香·舊書換綠植」活動，為精準扶貧助力，共計為湖北恩施州宣恩縣四點半學堂捐助書籍360餘本。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of 51 Credit Card Inc.

(incorporated in the Cayman Islands with limited liability)

致51信用卡有限公司股東

(於開曼群島註冊成立之有限公司)

OPINION

What we have audited

The consolidated financial statements of 51 Credit Card Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 125 to 299, which comprise:

- the consolidated statement of financial position as at 31 December 2018;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審核的內容

51信用卡有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第125頁至第299頁的綜合財務報表，包括：

- 於2018年12月31日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而公允地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

KEY AUDIT MATTERS

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

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

- Recognition of revenue and quality assurance fund payable ("QAF payable")
- Measurement of expected credit losses
- Impairment assessments of goodwill and payment license

意見的基礎

我們已根據《國際審計準則》進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據國際會計師專業操守理事會頒佈的《專業會計師道德守則》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審核中識別的關鍵審核事項概述如下：

- 收益及應付質量保證金(「應付質量保證金」)確認
- 預期信用損失計量
- 商譽及支付牌照減值評估

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KEY AUDIT MATTERS (Cont'd)

Key Audit Matter

關鍵審核事項

Recognition of revenue and quality assurance fund payable ("QAF payable") 收益及應付質量保證金確認

Refer to Notes 5 and 22 to the consolidated financial statements.

請參閱綜合財務報表附註5及22。

During the year ended 31 December 2018, the Group had recognized revenue of credit facilitation and service fee of approximately RMB2,056 million. As at 31 December 2018, the net carrying amount of QAF payable amounted to approximately RMB1,525 million.

截至2018年12月31日止年度，貴集團已確認信貸撮合及服務費收益約人民幣2,056百萬元。於2018年12月31日，應付質量保證金的賬面淨值為約人民幣1,525百萬元。

The total proceeds from borrowers generally includes the services fees for facilitating loan origination and for providing ongoing monthly services, and contribution to the QAF payable, which provides a protection mechanism to investors of the loans.

從借款人收到的總款項一般包括促成貸款發放及提供持續每月服務的服務費，以及對應付質量保證金的出資，質量保證金向該等貸款的投資者提供保障機制。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to recognition of revenue and QAF payable included:

我們就收益及應付質量保證金確認進行的程序包括：

We made enquires of management and inspected supporting documents to evaluate the key controls in respect of recognition of revenue and QAF payable, including the management's review and approval process over the determination of estimated loss rate of the financial guarantee.

我們向管理層作出查詢並檢查證明文件，以評估有關收益及應付質量保證金確認的關鍵控制，包括管理層對釐定財務擔保的估計損失率的審批程序。

For the key underlying systems used for processing transactions in relation to credit facilitation and service fee as well as QAF payable, we tested the general control environment and automated controls of the information technology system. We tested the interface between the operating and financial systems.

對於用於處理與信貸撮合及服務費以及應付質量保證金相關交易的關鍵信息系統，我們測試了信息技術系統的整體控制環境及自動控制。我們測試了運營及財務系統之間的交互。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key Audit Matter

關鍵審核事項

Recognition of revenue and quality assurance fund payable ("QAF payable") (Cont'd)

收益及應付質量保證金確認 (續)

Of the total proceeds from borrowers, the portion meeting the definition of a financial guarantee is first allocated to the QAF payable at fair value, and the remaining amount is then allocated to credit facilitation and service fee. The initial recognition of QAF payable is based on the determination of the estimated loss rate of the financial guarantee.

從借款人收到的總款項中，符合財務擔保定義的部分首先按公允價值分配至應付質量保證金，餘額則分配至信貸撮合及服務費。初始確認應付質量保證金乃依由財務擔保的估計損失率決定。

We identified the recognition of revenue and QAF payable as a key audit matter taking in considerations i) the recognition of revenue and QAF payable relies on the Group's self-developed IT systems which process a large volume of revenue transactions and transfer the operational data for financial reporting process; and ii) the magnitude of the credit facilitation and service fee and QAF payable recognized; and iii) the significant judgements applied by management in the recognition of revenue and QAF payable.

考慮到i)確認收益及應付質量保證金依賴貴集團自主開發的資訊科技系統，該系統處理大量的收益交易並將運營數據轉為用於財務報告流程；及ii)信貸撮合及服務費以及應付質量保證金的重要性；及iii)管理層在確認收益及應付質量保證金時應用的重大判斷，我們將收益及質量保證金確認列為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

We tested, on a sample basis, revenue transactions by checking the cash receipts/payments, reviewing the underlying contracts, identifying the key terms and attributes from the contracts, obtaining the underlying data from the system used in the transaction processes, and recalculating the revenue amount.

我們通過核查現金收款／付款，審查相關合同，確定合同中的關鍵條款及特徵，從交易處理中使用的系統獲取相關數據及重新計量收益金額，抽樣測試了收益交易。

We obtained the management's calculation of the estimated loss rate and tested, on a sample basis, the major underlying data. And we further tested the mathematical accuracy of the estimated loss rate.

我們獲取了管理層對估計損失率的計算，並抽樣測試了主要的相關數據。我們進一步測試了估計損失率的算術準確性。

Based on the procedures performed, we found the Group's recognition of revenue and QAF payable was supported by the available evidence.

基於進行的程序，我們認為貴集團的收益及應付質量保證金確認已獲得證據的支持。

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key Audit Matter

關鍵審核事項

Measurement of expected credit losses

預期信用損失的計量

Refer to Notes 4.1.2, 12(b), 22, 23 and 25 to the consolidated financial statements.

請參閱綜合財務報表附註4.1.2、12(b)、22、23及25。

As at 31 December 2018, the Group's gross loans to customers and contract assets amounted to approximately RMB381 million and approximately RMB1,371 million, and a loss allowance of approximately RMB196 million and approximately RMB215 million was recognized respectively; the exposure of quality assurance fund receivable ("QAF receivable") and QAF payable amounting to approximately RMB1,291 million and approximately RMB1,525 million respectively, for which the loss allowance of QAF receivable amounting to approximately RMB479 million was recognized.

於2018年12月31日，貴集團客戶貸款的總額及合約資產分別為約人民幣381百萬元和約人民幣1,371百萬元，確認虧損撥備約人民幣196百萬元和約人民幣215百萬元；應收質量保證金（「應收質量保證金」）和應付質量保證金的敞口分別為約人民幣1,291百萬元和約人民幣1,525百萬元，而其中應收質量保證金確認虧損撥備約人民幣479百萬元。

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our audit procedures in relation to measurement of expected credit losses ("ECL") for loans to customers, contract assets, QAF receivable and payable included:

我們就客戶貸款、合約資產、應收質量保證金及應付質量保證金的預期信用損失（「預期信用損失」）計量進行的審核程序包括：

We understood, evaluated and tested the internal controls related to ECL for loans to customers, contract assets, QAF receivable and payable, primarily including the review and approval of portfolio segmentation, parameters estimation, criteria for determining whether or not there is a significant increase in credit risk ("SICR") or credit-impaired and economic indicators for forward-looking scenarios;

我們了解、評估及測試了與客戶貸款、合約資產、應收質量保證金及應付質量保證金的預期信用損失相關的內部控制，主要包括審閱及批准投資組合細分、參數估計、釐定信用風險是否顯著增加或已發生信用減值的標準及用於前瞻分析的經濟指標。

We reviewed the modelling methodologies for ECL measurement, and assessed the reasonableness, based on our industry knowledge with reference to the industry benchmarks, of the portfolio segmentation and key parameters estimation. We examined the calculation for model measurement on a sample basis, to test whether or not the measurement models reflect the modelling methodologies documented by the management.

我們審閱了預期信用損失計量的建模方法，並基於行業知識及參考行業標準評估了與模型相關的投資組合細分及關鍵參數估計的合理性。我們抽樣檢查了模型測量的計算，以測試測量模型是否反映了管理層記錄的建模方法。

We selected samples of loans, to assess the appropriateness of management's identification of SICR, defaults and credit-impaired loans.

我們選取貸款樣本，以評估管理層識別信用風險、違約及已發生信用減值的貸款是否顯著增加的適當性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key Audit Matter

關鍵審核事項

Measurement of expected credit losses (Cont'd)

預期信用損失的計量 (續)

The Group assesses whether the credit risk of loans to customers, contract assets, QAF receivable and payable have increased significantly since their initial recognition, and apply an impairment model to calculate their ECL. In assessing the ECL, management use the risk parameter modelling approach that incorporates various parameters, including the portfolio segmentation, parameters estimation, criteria for determining whether or not there is a SICR, or credit-impaired and economic indicators for forward-looking scenarios.

貴集團評估客戶貸款、合約資產、應收質量保證金及應付質量保證金的信用風險自初步確認以來是否大幅增加，並採用減值模型計算其預期信用損失。在評估預期信用損失時，管理層使用風險參數模型法，該方法包含各種參數，包括投資組合細分、參數估計、釐定信用風險是否顯著增加或已發生信用減值的標準及用於前瞻分析的經濟指標。

We identified the measurement of ECL as a key audit matter due to i) the magnitude of the loss allowance for loans to customers, contract assets, QAF receivable and payable; and ii) complex calculation models, significant judgement and assumptions used by management in determining the ECL.

我們將預期信用損失的計量確定為關鍵審核事項，原因為i)客戶貸款、合約資產、應收質量保證金及應付質量保證金的虧損撥備的重要性；及ii)管理層在確定預期信用損失時使用的複雜計算模型、重大判斷及假設。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

For forward-looking measurement, we reviewed the management's model analysis of their selection of economic indicators, economic scenarios and weightings employed, assessed the reasonableness of the prediction of economic indicators and reviewed sensitivity analysis of economic indicators performed by management.

對於前瞻性計量，我們審閱了管理層篩選經濟指標的模型分析，運用經濟情景及權重，評估了經濟指標預測的合理性，並檢討了管理層對經濟指標的敏感性分析。

We examined major data inputs to the ECL models on selected samples, including historical data and data at the measurement date, to assess their accuracy and completeness.

我們檢查了選定樣本的預期信用損失模型的主要數據輸入，包括歷史數據及於計量日期的數據，以評估其準確性和完整性。

Based on the procedures performed, in the context of the inherent uncertainties associated with measurement of ECL for loans to customers, contract assets, QAF receivable and payable, we found the models, key parameters, significant judgement and assumptions adopted by management were supported by the available evidence.

基於進行的程序，考慮計量客戶貸款、合約資產、應收質量保證金及應付質量保證金的預期信用損失的固有不確定性，我們認為管理層採用的模型、關鍵參數、重大判斷及假設是已獲可得證據支持的。

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key Audit Matter

關鍵審核事項

Impairment assessments of goodwill and payment license 商譽及支付牌照減值評估

Refer to Note 17 to the consolidated financial statements.
請參閱綜合財務報表附註17。

As at 31 December 2018, the carrying amount of goodwill and payment license amounted to approximately RMB491 million and approximately RMB499 million, respectively.

於2018年12月31日，商譽及支付牌照的賬面值分別為約人民幣491百萬元及約人民幣499百萬元。

Management is required to perform impairment assessment of goodwill and intangible assets with indefinite life (e.g. payment license) annually or more frequently if there is an impairment indicator.

管理層須每年對無限年期的商譽及無形資產（例如支付牌照）進行減值評估，如果存在減值跡象則需要更頻繁地進行減值評估。

Management engaged external valuation experts to assist in performing impairment assessments of goodwill and payment license. The recoverable amounts of goodwill and payment license have been determined based on value-in-use calculation using cash flow projections. Significant judgements and estimations were involved in the calculation which include use of key assumptions including annual revenue growth rate, operating profit margin and pre-tax discount rate etc.

管理層委聘外部估值專家協助進行商譽及支付牌照的減值評估。商譽及支付牌照的可收回金額乃根據使用價值計算使用現金流量預測釐定。計算中涉及重大判斷和估計，包括使用年度收益增長率、營業利潤率及除稅前貼現率等關鍵假設。

We identified the impairment assessment of goodwill and payment license as a key audit matter due to the magnitude of the carrying amounts of goodwill and payment license, and the complexity of the assessments which involve significant judgements and assumptions.

我們將商譽及支付牌照的減值評估確定為關鍵審核事項，乃由於商譽及支付牌照的賬面值重大，及評估的複雜性，其涉及重大判斷及假設。

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to the impairment assessments of goodwill and payment license included:

我們就商譽及支付牌照減值評估進行的程序包括：

We understood and tested management's process and controls in respect of the impairment assessments, including the review of the implementation of impairment standards and the determination of the key assumptions.

我們了解並測試了管理層有關減值評估的程序及控制，包括審閱減值準則的實施情況，關鍵假設的釐定。

We assessed the competency, capabilities and objectivity of the external valuation experts engaged by management.

我們評估了管理層委聘的外部估值專家的資格、能力及客觀性。

We assessed the appropriateness of the valuation models, the assumption of pre-tax discount rate and the accuracy of mathematical calculation applied in the valuation models with the involvement of our internal valuation experts.

我們在內部估值專家的參與下評估估值模型的適當性、除稅前貼現率的假設及估值模型中應用的算術計算的準確性。

We assessed the key assumptions adopted (including annual revenue growth rates and operating profit margin) by agreeing to the approved financial forecast models, and comparing actual results for the year against the prior year's forecast taking into consideration of market trends and our industry knowledge.

我們通過將關鍵假設（包括年度收益增長率及經營利潤率）與各審批的財務預測模型核對，並將其與上一年的預測進行比較，比較時考慮市場趨勢及我們的行業知識，以評估所採用的關鍵假設。

Based on the procedures performed we found the models and assumptions adopted by management in the impairment assessments were supported by the available evidence.

基於我們進行的程序，我們認為管理層在減值評估中採用的模型及假設已獲得證據的支持。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

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

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

結合我們對綜合財務報表的審核，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核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。

董事及治理層就綜合財務報表須承擔的責任

本公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，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。

治理層須負責監督貴集團的財務報告過程。

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獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, 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 ISAs 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 ISAs, we exercise professional judgment 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.

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審核，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，如果合理預期彼等個別或滙總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《國際審計準則》進行審核的過程中，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，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，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。
- 了解與審核相關的內部控制，以設計適當的審核程序，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。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審核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。根據所獲取的審核憑證，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核憑證。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、適當的審核憑證，以便對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，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。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 Jack Li.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 26 March 2019

核數師就審核綜合財務報表承擔的責任 (續)

從與治理層溝通的事項中，我們確定哪些事項對本年度綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述這些事項，除非法律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核項目合夥人為黎英杰。

羅兵咸永道會計師事務所
執業會計師
香港，2019年3月26日

Consolidated Statement of Comprehensive Income/(Loss)

綜合全面收益／（虧損）表

For the year ended 31 December 2018

截至2018年12月31日止年度

| | | Year ended 31 December | | |
|---|-------------------------|------------------------|--------------------|--------------------|
| | | 截至12月31日止年度 | | |
| | | | 2018 | 2017 |
| | | Note | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| Credit facilitation and service fee | 信貸撮合及服務費 | 5 | 2,055,531 | 1,627,324 |
| Credit card technology service fee | 信用卡科技服務費 | | 255,676 | 140,382 |
| Loan referral service fee | 信貸介紹服務費 | | 203,061 | 189,327 |
| Other revenue | 其他收益 | 6 | 297,726 | 311,547 |
| Total revenue | 收益總額 | | 2,811,994 | 2,268,580 |
| Origination and servicing expenses | 辦理及服務開支 | 8 | (758,314) | (516,904) |
| Sales and marketing expenses | 銷售及營銷開支 | 8 | (618,153) | (614,406) |
| General and administrative expenses | 一般及行政開支 | 8 | (411,323) | (182,144) |
| Research and development expenses | 研發開支 | 8 | (328,634) | (261,378) |
| Other (losses)/gains, net | 其他（虧損）／收益淨額 | 12 | (629,939) | 11,931 |
| Total operating expenses | 經營開支總額 | | (2,746,363) | (1,562,901) |
| Operating profit | 經營溢利 | | 65,631 | 705,679 |
| Share of net loss of associates accounted for using equity method | 分佔使用權益法入賬的聯營公司虧損淨額 | 18 | (1,302) | (1,465) |
| Fair value gain/(loss) of preferred shares | 優先股的公允價值收益／（虧損） | 30 | 1,942,221 | (2,260,930) |
| Extinguishment gain of preferred shares | 優先股的清償收益 | 30 | – | 242,462 |
| Fair value gain of financial liability at fair value through profit or loss | 按公允價值計入損益的金融負債公允價值收益 | | 98,448 | – |
| Finance expenses, net | 財務開支淨額 | 13 | (24,374) | (47,778) |
| Profit/(loss) before income tax | 除所得稅前溢利／（虧損） | | 2,080,624 | (1,362,032) |
| Income tax credit/(expense) | 所得稅抵免／（開支） | 14 | 88,143 | (16,439) |
| Profit/(loss) for the year | 年度溢利／（虧損） | | 2,168,767 | (1,378,471) |
| Profit/(loss) for the year attributable to: | 以下各項應佔年內溢利／（虧損）： | | | |
| – Owners of the Company | – 本公司擁有人 | | 2,162,084 | (1,371,270) |
| – Non-controlling interests | – 非控股權益 | | 6,683 | (7,201) |
| | | | 2,168,767 | (1,378,471) |

Consolidated Statement of Comprehensive Income/(Loss)

綜合全面收益／（虧損）表

For the year ended 31 December 2018

截至2018年12月31日止年度

| | | Year ended 31 December | |
|--|---------------------------------|------------------------|--------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | Note | | |
| | 附註 | | |
| Other comprehensive (loss)/income | 其他全面（虧損）／收益 | | |
| <i>Items that may not be reclassified to profit or loss</i> | <i>不會重新分類至損益的項目</i> | | |
| Currency translation differences | 貨幣換算差額 | (57,408) | 98,004 |
| Change in fair value attributable to change in the credit risk of preferred shares | 優先股信用風險變動導致的公允價值變動 | (16,990) | – |
| Change in fair value attributable to change in the credit risk of other financial liabilities at fair value through profit or loss | 按公允價值計入損益的其他金融負債信用風險變動導致的公允價值變動 | (517) | – |
| Total comprehensive income/(loss) for the year, net of tax | 年度全面收益／（虧損）總額，扣除稅項 | 2,093,852 | (1,280,467) |
| Total comprehensive income/(loss) attributable to: | 以下各項應佔全面收益／（虧損）總額： | | |
| – Owners of the Company | – 本公司擁有人 | 2,083,254 | (1,274,250) |
| – Non-controlling interests | – 非控股權益 | 10,598 | (6,217) |
| | | 2,093,852 | (1,280,467) |
| Basic earnings/(loss) per share | 每股基本盈利／（虧損） | 3.84 | (7.90) |
| Diluted earnings/(loss) per share | 每股攤薄盈利／（虧損） | 3.29 | (7.90) |

The above consolidated statement of comprehensive income/(loss) should be read in conjunction with the accompanying notes.

上述綜合全面收益／（虧損）表應與隨附的附註一併閱讀。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018

於2018年12月31日

| | | As at 31 December | | |
|--|--------------------|-------------------|------------------|------------------|
| | | 於12月31日 | | |
| | | | 2018 | 2017 |
| | | Note | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Property and equipment, net | 物業及設備淨額 | 16 | 236,340 | 222,066 |
| Intangible assets | 無形資產 | 17 | 1,029,342 | 1,026,771 |
| Investments accounted for using equity method | 使用權益法入賬的投資 | 18 | 144,430 | 145,732 |
| Financial assets at fair value through profit or loss | 按公允價值計入損益的 金融資產 | 19 | 425,026 | 425,093 |
| Deferred income tax assets | 遞延所得稅資產 | 20 | 222,300 | 104,556 |
| Term deposits | 定期存款 | 26(c) | 6,000 | 5,000 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 21 | 7,531 | – |
| Total non-current assets | 非流動資產總值 | | 2,070,969 | 1,929,218 |
| Current assets | 流動資產 | | | |
| Quality assurance fund receivable | 應收質量保證金 | 22 | 812,078 | 1,407,981 |
| Contract assets | 合約資產 | 23 | 1,155,184 | 22,692 |
| Trade receivables | 貿易應收款項 | 24 | 149,567 | 59,957 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 21 | 322,923 | 355,799 |
| Loans to customers, net | 客戶貸款淨額 | 25 | 185,296 | 948,987 |
| Financial assets at fair value through profit or loss | 按公允價值計入損益的 金融資產 | 19 | 573,221 | 334,471 |
| Restricted cash | 受限制現金 | 26(b) | 1,056,788 | 1,407,491 |
| Cash and cash equivalents | 現金及現金等價物 | 26(a) | 1,206,172 | 1,258,446 |
| Total current assets | 流動資產總值 | | 5,461,229 | 5,795,824 |
| Total assets | 資產總值 | | 7,532,198 | 7,725,042 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018

於2018年12月31日

| | | As at 31 December | | |
|--|---------------------|-------------------|------------------|--------------------|
| | | 於12月31日 | | |
| | | 2018 | 2017 | |
| | | RMB'000 | RMB'000 | |
| | | 人民幣千元 | 人民幣千元 | |
| | Note | | | |
| | 附註 | | | |
| EQUITY/(DEFICIT) AND LIABILITIES | 權益／（虧絀）及負債 | | | |
| Equity/(deficit) | 權益／（虧絀） | | | |
| Share capital | 股本 | 27 | 79 | 20 |
| Share premium | 股份溢價 | 27 | 5,878,494 | 33,134 |
| Shares held for employee incentive schemes | 持作僱員獎勵計劃的股份 | 27 | (14) | (9) |
| Reserves | 儲備 | 28 | (57,450) | (214,433) |
| Accumulated losses | 累計虧損 | | (2,291,794) | (4,403,224) |
| Non-controlling interests | 非控股權益 | | 16,941 | 2,956 |
| Total equity/(deficit) | 權益／（虧絀）總額 | | 3,546,256 | (4,581,556) |
| Liabilities | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Long-term borrowings | 長期借款 | 31 | 413,102 | 436,196 |
| Deferred income tax liabilities | 遞延所得稅負債 | 20 | 150,252 | 176,886 |
| Preferred shares | 優先股 | 30 | – | 6,815,260 |
| Payable to trust senior tranche holders | 應付信託優先級持有人款項 | 25 | 209,500 | 950,000 |
| Total non-current liabilities | 非流動負債總額 | | 772,854 | 8,378,342 |
| Current liabilities | 流動負債 | | | |
| Quality assurance fund payable | 應付質量保證金 | 22 | 1,524,621 | 1,767,210 |
| Payables to platform customers | 應付平台客戶款項 | 26(b) | 744,783 | 656,422 |
| Contract liabilities | 合約負債 | 23 | 47,514 | 49,714 |
| Payables to preferred shareholders | 應付優先股股東款項 | 30 | – | 30,000 |
| Short-term borrowings | 短期借款 | 31 | 189,900 | 257,057 |
| Trade and other payables | 貿易及其他應付款項 | 32 | 624,608 | 963,351 |
| Income tax payable | 應付所得稅 | | 11,133 | 36,042 |
| Financial liabilities at fair value through profit or loss | 按公允價值計入損益的金融負債 | 33 | 70,529 | 168,460 |
| Total current liabilities | 流動負債總額 | | 3,213,088 | 3,928,256 |
| Total liabilities | 負債總額 | | 3,985,942 | 12,306,598 |
| Total equity/(deficit) and liabilities | 權益／（虧絀）及負債總額 | | 7,532,198 | 7,725,042 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述綜合財務狀況表應與隨附的附註一併閱讀。

The consolidated financial statements on pages 125 to 299 were approved by the Board of Directors on 26 March 2019 and were signed on its behalf:

第125至299頁所載之綜合財務報表於2019年3月26日獲董事會批准，並由下列代表簽署：

Sun Haitao
孫海濤
Director
董事

Zhao Ke
趙軻
Director
董事

Consolidated Statement of Changes in Equity/(Deficit)

綜合權益／（虧絀）變動表

For the year ended 31 December 2018

截至2018年12月31日止年度

Attributable to equity holders of the Company

本公司權益持有人應佔

| | | Share capital (Note 27) | Share premium | Shares held for employee incentive schemes | Reserves | Accumulated losses | Sub-total | Non-controlling interests | Total |
|--|---|----------------------------------|--------------------------|--|------------------------|--------------------------|------------------------|---------------------------|------------------------|
| | | 股本 (附註27) RMB'000 人民幣千元 | 股份溢價 RMB'000 人民幣千元 | 持作僱員 獎勵計劃 的股份 RMB'000 人民幣千元 | 儲備 RMB'000 人民幣千元 | 累計虧損 RMB'000 人民幣千元 | 小計 RMB'000 人民幣千元 | 非控股權益 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| As at 1 January 2018 | 於2018年1月1日 | 20 | 33,134 | (9) | (214,433) | (4,403,224) | (4,584,512) | 2,956 | (4,581,556) |
| Changes on initial application of IFRS 9 (Note 2.2.2) | 初步採納國際財務報告 準則第9號時的 變動(附註2.2.2) | - | - | - | - | (50,654) | (50,654) | - | 50,654 |
| Restated balance as at 1 January 2018 | 於2018年1月1日的 經重列結餘 | 20 | 33,134 | (9) | (214,433) | (4,453,878) | (4,635,166) | 2,956 | (4,632,210) |
| Comprehensive income | 全面收益 | | | | | | | | |
| Profit for the year | 年度溢利 | - | - | - | - | 2,162,084 | 2,162,084 | 6,683 | 2,168,767 |
| Change in fair value attributable to change in the credit risk of other financial liabilities at fair value through profit or loss | 按公允價值計入損益的 其他金融負債信用 風險變動導致的 公允價值變動 | - | - | - | (517) | - | (517) | - | (517) |
| Change in fair value attributable to change in the credit risk of preferred shares | 優先股信用風險變動 導致的公允價值變動 | - | - | - | (16,990) | - | (16,990) | - | (16,990) |
| Currency translation differences | 貨幣換算差額 | - | - | - | (61,323) | - | (61,623) | 3,915 | (57,408) |
| Total comprehensive income | 全面收益總額 | - | - | - | (78,830) | 2,162,084 | 2,083,254 | 10,598 | 2,093,852 |
| Transactions with owners as their capacity as owners | 與權益所有者以其 所有者的身份進行的 交易 | | | | | | | | |
| Issuance of shares held for employee incentive schemes (Note 27) | 發行持作僱員獎勵 計劃的股份(附註27) | 5 | - | (5) | - | - | - | - | - |
| Conversion of preferred shares to ordinary shares (Note 27) | 優先股轉換為普通股 (附註27) | 46 | 4,951,374 | - | - | - | 4,951,420 | - | 4,951,420 |
| Issuance of ordinary shares upon Initial Public Offering ("IPO") and partial exercise of over-allotment option, net of issuance costs | 首次公開發售(「首次公開 發售」)及部分行使超 額配股權後發行普通 股,扣除發行成本 | 8 | 893,986 | - | - | - | 893,994 | - | 893,994 |
| Share incentive awarded under employee incentive schemes | 僱員獎勵計劃項下 授出的股份獎勵 | - | - | - | 204,920 | - | 204,920 | - | 204,920 |
| Conversion of convertible bonds transferred to shares of a subsidiary | 一家附屬公司可換股 債券轉撥至股份 | - | - | - | 30,893 | - | 30,893 | (2,013) | 28,880 |
| Capital contribution by a non-controlling interest of a subsidiary | 一家附屬公司非控股 權益的注資 | - | - | - | - | - | - | 5,400 | 5,400 |
| Total transactions with owners as their capacity as owners | 與權益所有者以其 所有者的身份 進行的交易總額 | 59 | 5,845,360 | (5) | 235,813 | - | 6,081,227 | 3,387 | 6,084,614 |
| As at 31 December 2018 | 於2018年12月31日 | 79 | 5,878,494 | (14) | (57,450) | (2,291,794) | 3,529,315 | 16,941 | 3,546,256 |

Consolidated Statement of Changes in Equity/(Deficit)

綜合權益／（虧絀）變動表

For the year ended 31 December 2018

截至2018年12月31日止年度

| | | Attributable to equity holders of the Company | | | | | | | |
|---|------------------------------|---|--------------------------|--|------------------------|--------------------------|------------------------|---------------------------|------------------------|
| | | 本公司權益持有人應佔 | | | | | | | |
| | | Share capital (Note 27) | Share premium | Shares held for employee incentive schemes | Reserves | Accumulated losses | Sub-total | Non-controlling interests | Total |
| | | 股本 (附註27) RMB'000 人民幣千元 | 股份溢價 RMB'000 人民幣千元 | 持作僱員獎勵計劃 的股份 RMB'000 人民幣千元 | 儲備 RMB'000 人民幣千元 | 累計虧損 RMB'000 人民幣千元 | 小計 RMB'000 人民幣千元 | 非控股權益 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| As at 1 January 2017 | 於2017年1月1日 | | | | (61,780) | (3,031,954) | (3,093,734) | – | (3,093,734) |
| Comprehensive income | 全面收入 | | | | | | | | |
| Loss for the year | 年內虧損 | – | – | – | – | (1,371,270) | (1,371,270) | (7,201) | (1,378,471) |
| Currency translation differences | 貨幣換算差額 | – | – | – | 98,004 | – | 98,004 | – | 98,004 |
| Total comprehensive income | 全面收入總額 | – | – | – | 98,004 | (1,371,270) | (1,273,266) | (7,201) | (1,280,467) |
| Transactions with owners as their capacity as owners | 與權益所有者以其所有者的身份進行的交易 | | | | | | | | |
| Issuance of ordinary shares (Note 27) | 發行普通股(附註27) | 11 | 33,134 | – | – | – | 33,145 | – | 33,145 |
| Issuance of shares held for employee incentive schemes (Note 27) | 發行持作僱員獎勵計劃的股份(附註27) | 9 | – | (9) | – | – | – | – | – |
| Exercise of warrants | 行使認股權證 | – | – | – | (294,454) | – | (294,454) | – | (294,454) |
| Share incentive awarded under employee incentive plan | 僱員獎勵計劃項下授出的股份獎勵 | – | – | – | 43,900 | – | 43,900 | – | 43,900 |
| Ordinary share transferred to Class B ordinary share | 普通股轉換為B類普通股 | – | – | – | (103) | – | (103) | – | (103) |
| Non-controlling interests arising from business combinations | 業務合併所得非控股權益 | – | – | – | – | – | – | 10,157 | 10,157 |
| Total transactions with owners as their capacity as owners | 與權益所有者以其所有者的身份進行的交易總額 | 20 | 33,134 | (9) | (250,657) | – | (217,512) | 10,157 | (207,355) |
| As at 31 December 2017 | 於2017年12月31日 | 20 | 33,134 | (9) | (214,433) | (4,403,224) | (4,584,512) | 2,956 | (4,581,556) |

The above consolidated statement of changes in equity/(deficit) should be read in conjunction with the accompanying notes.

上述綜合權益／（虧絀）變動表應與隨附的附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

| | | Year ended 31 December | |
|---|------------------------|------------------------|--------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | Note 附註 | | |
| Operating activities | 經營活動 | | |
| Cash generated from/(used in) operations | 經營所得／(所用)現金 | 135,269 | (23,336) |
| Income tax paid | 已付所得稅 | (46,094) | (7,698) |
| Net cash generated from/(used in) operating activities | 經營活動所得／(所用)現金淨額 | 89,175 | (31,034) |
| | 35 | | |
| Investing activities | 投資活動 | | |
| Investments in associate accounted for using equity method | 使用權益法入賬的於聯營公司的投資 | (51,433) | (95,769) |
| Investment in term deposit | 於定期存款的投資 | (1,000) | (5,000) |
| Proceeds from disposal of associate accounted for using the equity method | 出售使用權益法入賬的聯營公司所得款項 | – | 1,250 |
| Investments in ordinary shares with preferential liquidation rights | 於附帶優先清算權的普通股的投資 | (32,500) | (146,601) |
| Dividend from ordinary shares with preferential liquidation rights | 附帶優先清算權的普通股的股息 | 11,083 | – |
| Investments in equity host securities | 於權益證券的投資 | – | (12,032) |
| Investments in investment funds (Note 19(b)) | 於投資基金的投資(附註19(b)) | (20,000) | (51,390) |
| Proceeds from disposal of investment funds | 出售投資基金所得款項 | 13,677 | – |
| Investments in wealth management products | 於理財產品的投資 | (2,113,749) | (6,332,530) |
| Proceeds from disposal of wealth management products | 出售理財產品所得款項 | 1,903,315 | 6,087,245 |
| Interests from wealth management products | 理財產品所得利息 | 12,477 | 12,027 |
| Decrease in restricted cash in forward foreign exchange contracts | 遠期外匯合約受限制現金減少 | – | 110,163 |
| Increase in restricted cash in forward foreign exchange contracts | 遠期外匯合約受限制現金增加 | (3,000) | (32,400) |
| Purchases of property and equipment | 購買物業及設備 | (72,331) | (238,636) |
| Purchases of intangible assets | 購買無形資產 | (10,945) | (6,825) |
| Acquisition of subsidiaries, net | 收購附屬公司淨額 | (260,102) | (137,900) |
| Increase in restricted cash in acquisition of subsidiaries | 收購附屬公司受限制現金增加 | – | (417,545) |
| Decrease in restricted cash in acquisition of subsidiaries | 收購附屬公司受限制現金減少 | 417,545 | – |
| Net cash used in investing activities | 投資活動所用現金淨額 | (206,963) | (1,265,943) |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

| | | Year ended 31 December | |
|---|-------------------|------------------------|------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | Note | | |
| | 附註 | | |
| Financing activities | 融資活動 | | |
| Proceeds from issuance of convertible redeemable preferred shares | 發行可換股可贖回優先股所得款項 | 33,382 | 1,029,961 |
| Proceeds from issuance of ordinary shares upon IPO, net | 首次公開發售發行普通股所得款項淨額 | 893,994 | – |
| Proceeds from borrowings | 借款所得款項 | 359,900 | 1,019,747 |
| Repayment of borrowings | 償還借款 | (472,781) | (399,029) |
| Cash received from trust senior tranche holders | 從信託優先級持有人收取的現金 | 281,500 | 950,000 |
| Cash paid to trust senior tranche holders | 已付予信託優先級持有人的現金 | (1,022,000) | (160,000) |
| Interests paid to trust senior tranche holders | 已付予信託優先級持有人的利息 | (44,604) | (43,993) |
| Redemption of preferred shares | 贖回優先股 | (30,000) | (1,866,921) |
| Cash received/(paid) in connection with the reorganization | 就重組已收/(已付)現金 | 51,690 | (51,690) |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 51,495 | 478,075 |
| Effect of exchange rate changes on cash and cash equivalents | 匯率變動對現金及現金等價物的影響 | 14,019 | (26,732) |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | (52,274) | (845,634) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 1,258,446 | 2,104,080 |
| Cash and cash equivalents at end of year | 年末現金及現金等價物 | 1,206,172 | 1,258,446 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述綜合現金流量表應與隨附的附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

I GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

I.1 General information

51 Credit Card Inc. (the “Company”) was incorporated in the Cayman Islands on 21 September 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is at P.O. Box 10008, Willow House, Cricket Square Grand Cayman, KYI-1001, Cayman Islands.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 13 July 2018.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in provision of one-stop personal financial services covering personal credit management services, credit card technology services, and online credit facilitation and investment services (the “Listing Business”) in the People’s Republic of China (“China”, or the “PRC”).

The financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

These consolidated financial statements were approved and authorised for issue by the Board of Directors (“Board”) of the Company on 26 March 2019.

I.2 History and reorganization of the Group

For year ended 31 December 2018 (the “current year”), the Listing Business is mainly operated by 5 operating entities and their subsidiaries (the “PRC Operating Entities”), namely, (i) Hangzhou Enniu Network Technology Co., Ltd. (杭州恩牛網絡技術有限公司, “Enniu Network”), (ii) Beijing Dingli Chuangshi Technology Co., Ltd. (北京鼎力創世科技有限公司, “Dingli Technology”), (iii) Hangzhou Yeniu Asset Management Co., Ltd. (杭州也牛資產管理有限公司, “Yeniu Asset Management”), (iv) Hangzhou Yiniu Network Technology Co., Ltd. (杭州義牛網絡技術有限公司, “Yiniu Network”) and (v) Fuzhou Enniu Network Micro Credit Co., Ltd. (撫州市恩牛網絡小額貸款有限公司, “Fuzhou Enniu Microcredit”).

I 一般資料、重組及呈列基準

I.1 一般資料

51信用卡有限公司(「本公司»)於2017年9月21日根據開曼群島《公司法》第22章(1961年第3號法律,經合併及修訂)在開曼群島註冊成立為獲豁免有限責任公司。本公司的註冊辦事處地址為P.O. Box 10008, Willow House, Cricket Square Grand Cayman, KYI-1001, Cayman Islands。

本公司股份自2018年7月13日起在香港聯合交易所有限公司主板上市。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團»)主要於中華人民共和國(「中國»)從事提供一站式個人金融服務,包括個人信用管理服務、信用卡科技服務及網絡信貸撮合及投資服務(「上市業務»)。

財務報表以人民幣(「人民幣»)呈列,除另有說明者外,所有金額均已湊整至最接近千位(人民幣千元)。

該等綜合財務報表已經本公司董事會(「董事會»)於2019年3月26日批准及授權刊發。

I.2 本集團歷史及重組

截至2018年12月31日止年度(「本年度»),上市業務主要由5家經營實體及其附屬公司經營(「中國營運實體»),即(i)杭州恩牛網絡技術有限公司(「恩牛網絡»),(ii)北京鼎力創世科技有限公司(「鼎力科技»),(iii)杭州也牛資產管理有限公司(「也牛資產管理»),(iv)杭州義牛網絡技術有限公司(「義牛網絡»)及(v)撫州市恩牛網絡小額貸款有限公司(「撫州恩牛小額貸款»)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

I GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION (Cont'd)

I.2 History and reorganization of the Group (Cont'd)

On 8 January 2015, U51.com Inc., an exempted company with limited liability incorporated in the Cayman Islands has become the ultimate holding company of the Listing Business through a series of contractual agreements. From February 2016 to November 2016, the then shareholders of U51.com Inc. agreed to undergo a restructuring pursuant to which (i) Enniu Network and other PRC Operating Entities terminated all the relevant contractual agreements and ceased to be subsidiaries of U51.com Inc.; (ii) Enniu Network acquired the entire interests of other PRC Operating Entities; and (iii) the then shareholders of U51.com Inc. or their affiliates invested directly in Enniu Network based on their initial investment and relative interests in U51.com Inc..

For the purpose of preparing for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent a group reorganization in November 2017 (the "Reorganization").

Pursuant to a series of contractual agreements dated 23 November 2017, Hangzhou Zhenniu Information Technology Co., Ltd. (杭州振牛信息科技有限公司, "Zhenniu Information") is able to effectively control, recognize and receive substantially all the economic benefit of the business and operations of Enniu Network. Accordingly, Enniu Network is treated as a controlled structured entity of the Company and is consolidated by the Company.

Pursuant to the Reorganization, the Company issued shares at par value of US\$0.0001 each to the then shareholders of Enniu Network or their affiliates based on their relative interests in Enniu Network. Upon completion of the Reorganization, the then shareholders of Enniu Network or their affiliates became the shareholders of the Company and the Company became the ultimate holding company of the companies now comprising the Group.

In March 2018, the Company effected a share split. Each of ordinary share and preferred share of the Company was subdivided into 10 shares at a par value of US\$0.00001.

I 一般資料、重組及呈列基準 (續)

I.2 本集團歷史及重組 (續)

2015年1月8日，註冊成立於開曼群島的獲豁免有限責任公司U51.com Inc.已通過一系列合約安排成為上市業務的最終持股公司。自2016年2月至2016年11月，U51.com Inc.當時的股東同意進行重組，據此，(i)恩牛網絡及其他中國營運實體終止所有相關合約安排且不再為U51.com Inc.的附屬公司；(ii)恩牛網絡收購其他中國營運實體的全部權益；且(iii)U51.com Inc.當時的股東或其聯屬公司以其於U51.com Inc.的初步投資及相關權益為基礎直接投資於恩牛網絡。

為給本公司股份於香港聯合交易所有限公司主板上市作準備，本集團於2017年11月進行集團重組（「重組」）。

根據日期為2017年11月23日的一系列合約安排，杭州振牛信息科技有限公司（「振牛信息」）能夠有效控制、確認及實質上收取恩牛網絡業務及經營的全部經濟利益。因此，恩牛網絡作為本公司的受控制結構性實體，於本公司的財務報表中合併入賬。

根據重組，本公司以恩牛網絡當時的股東或其聯屬公司於恩牛網絡的相關權益為基準，按每股面值0.0001美元向其發行股份。重組完成後，恩牛網絡當時的股東或其聯屬公司成為本公司股東且本公司成為本集團現時旗下公司的最終持股公司。

於2018年3月，本公司實施股份分拆。本公司每股普通股及優先股被分拆為10股每股面值0.00001美元的股份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

I GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION (Cont'd)

1.3 Basis of presentation

Immediately prior to and after the Reorganization as well as the restructurings as discussed in Note 1.2, the Listing Business was carried out by Enniu Network and its subsidiaries. Upon the completion of the reorganization, the Company has become the holding company of Enniu Network. The Company has not involved in any other business prior to the Reorganization and does not meet the definition of a business. The Reorganization is merely a reorganization of the Listing Business with no change in management and the owners of the Listing Business remain the same. Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the Listing Business under Enniu Network and the consolidated financial statements have been prepared on a consolidated basis and is presented using the respective carrying values of the companies now comprising the Group for all years presented.

Inter-company transactions, balances and unrealized gains/(losses) on transactions between the Group companies are eliminated on consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"). The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value through profit or loss ("FVPL"). The preparation of the consolidated financial statements of the Group in conformity with IFRSs 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 below.

I 一般資料、重組及呈列基準 (續)

1.3 呈列基準

緊接及緊隨重組以及在附註1.2所論述的重整架構之前及之後，上市業務由恩牛網絡及其附屬公司開展。於重組完成後，本公司成為恩牛網絡的控股公司。本公司於重組前並無從事任何其他業務，亦並未符合業務的定義。重組對上市業務在管理上並無變動，且上市業務的擁有人維持不變。因此，重組後得出的本集團被視為恩牛網絡旗下上市業務的持續，綜合財務報表已按綜合基準編製，並就所呈列的所有年份以現組成本集團的公司的賬面值呈列。

集團內公司間的交易、結餘及未變現收益／(虧損)乃於綜合入賬時抵銷。

2 重大會計政策概要

2.1 編制基準

本集團的綜合財務報表乃遵照所有適用的國際財務報告準則(「國際財務報告準則」)編製。本集團的綜合財務報表乃按歷史成本慣例編製，經按公允價值計入損益(「按公允價值計入損益」)的金融工具重估修訂。編製符合國際財務報告準則的本集團的綜合財務報表時需採用若干重大會計估計。其亦要求管理層於應用本集團會計政策時作出判斷。涉及高度判斷或複雜性的範疇，或假設及估算對綜合財務報表而言屬重要的範疇於下文附註3披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.2 Significant accounting policies

2.2.1 New standard early adopted by the Group

IFRS 15: Revenue from Contracts with Customers

IFRS 15, 'Revenue from contracts with customers' replaces the previous revenue standards IAS 18 'Revenue' and IAS 11 'Construction Contracts' and related interpretations. The standard is effective for annual years beginning on or after 1 January 2018 and earlier application is permitted. The Group has elected to early apply IFRS 15 and consistently applied for the years presented.

IFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize through a 5-step approach. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes' to an 'asset-liability' approach based on transfer of control. IFRS 15 provides specific guidance on capitalization of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group's accounting policies of revenue recognition are disclosed in Note 2.27 below.

2 重大會計政策概要 (續)

2.2 重大會計政策

2.2.1 本集團提早採納的新準則

國際財務報告準則第15號：客戶合約收益

國際財務報告準則第15號「客戶合約收益」取代之前的收益準則：國際會計準則第18號「收益」及國際會計準則第11號「建造合約」以及相關詮釋。該準則於2018年1月1日或之後開始的年度生效並准許提早採納。本集團選擇提早採納國際財務報告準則第15號並於報告年度持續採用。

國際財務報告準則第15號建立一個完備框架，通過五步法來確定何時確認收入以及應當確認多少收入。核心原則為公司應確認收入，以述明按反映公司預期可用以交換已約定貨品或服務的代價的金額向客戶移交該等貨品或服務。此準則從基於「盈利過程」的收入確認模型轉向基於控制權轉移的「資產－負債」法。國際財務報告準則第15號就合約成本資本化及特許權安排提供具體指引。此準則亦就實體的客戶合約所產生的收入及現金流量的性質、金額、時間及不明朗因素制定一套嚴密的披露規定。本集團有關收益確認的會計政策披露於下文附註2.27中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group

| | |
|----------------------|--|
| IFRS 2 | Classification and measurement of share-based payment transactions |
| IFRS 9 | Financial Instruments |
| Amendment to IAS 28 | Investments in associates and joint ventures |
| Amendments to IAS 40 | Transfers of investment property |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration |

Except for IFRS 9, impact of which is disclosed below, the above new accounting standards and amendments to IFRSs which are effective and adopted by the Group from 1 January 2018 have no material impact on the Group's consolidated financial statements.

The Group has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognized in the consolidated financial statements.

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則

| | |
|------------------|-------------------|
| 國際財務報告準則第2號 | 以股份為基礎的支付交易的分類及計量 |
| 國際財務報告準則第9號 | 金融工具 |
| 國際會計準則第28號 (修訂本) | 於聯營公司及合營公司的投資 |
| 國際會計準則第40號 (修訂本) | 轉讓投資物業 |
| 國際財務報告準則詮釋第22號 | 外幣交易及墊付代價 |

除以下披露的國際財務報告準則第9號的影響外，上文的新會計準則及本集團於2018年1月1日起採納且生效的國際財務報告準則修訂本對本集團的綜合財務報表並無重大影響。

本集團已採納國際會計準則理事會於2014年7月發佈的國際財務報告準則第9號，其轉換日期為2018年1月1日，導致會計政策發生變化，並對之前在綜合財務報表中確認的金額進行調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group

(Cont'd)

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening accumulated losses of the current year.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the year ended 31 December 2018.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則

(續)

在國際財務報告準則第9號的過渡性條款允許的情況下，本集團選擇不重述比較數字。轉換日對金融資產和金融負債的賬面價值進行的調整，計入本年度期初累計虧損。

因此，對於附註披露，對國際財務報告準則第7號披露的相應修訂也僅適用於截至2018年12月31日止年度。

採用國際財務報告準則第9號導致我們對金融資產和金融負債的確認，分類和計量以及金融資產減值的會計政策發生變化。國際財務報告準則第9號亦大幅修訂其他有關金融工具的標準，例如國際財務報告準則第7號「金融工具：披露」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Group. Further details of the specific IFRS 9 accounting policies applied in the current year are described in more detail in section 2.11 below.

The total impact of the adoption of IFRS 9 on the Group's accumulated losses as at 1 January 2018 is as follows:

| | | Accumulated losses 累計虧損 RMB'000 人民幣千元 |
|---|--|---|
| Closing accumulated losses as at 31 December 2017– IAS 39 | 2017年12月31日期末累計虧損 – 根據 國際會計準則第39號計算 | 4,403,224 |
| Increase in impairment provision for contract assets (Note iii) | 合約資產減值準備的增加 (註釋iii) | 776 |
| Increase in impairment provision for financial assets at amortized cost (Note iii) | 以攤銷成本計量的金融資產減值準備的 增加 (註釋iii) | 95,793 |
| Decrease in quality assurance fund payable with adoption of IFRS 9 (Note iii) | 採納國際財務報告準則第9號後應付質量 保證金的減少 (註釋iii) | (10,828) |
| Adjustment from adoption of IFRS 9 on 1 January 2018, before income tax | 2018年1月1日採納國際財務報告準則 第9號的調整，除所得稅前 | 85,741 |
| Income tax effect | 所得稅的影響 | (35,087) |
| Adjustment to accumulated losses from adoption of IFRS 9 on 1 January 2018, net of tax | 2018年1月1日採納國際財務報告準則 第9號而對累計虧損的調整，扣除稅項 | 50,654 |
| Opening accumulated losses of 1 January 2018 – IFRS 9 | 2018年1月1日期初累計虧損 – 根據國際 財務報告準則第9號計算 | 4,453,878 |

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工 具」 – 採納之影響

以下載列有關採納國際財務報告準則第9號對本集團影響的披露。有關本年度適用的特定國際財務報告準則第9號會計政策的進一步詳情，請參閱下文第2.11節。

於2018年1月1日，採用國際財務報告準則第9號對本集團累計虧損的總影響如下：

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption (Cont'd)

(i) Classification and measurement of financial instruments

The measurement category and the carrying amount of assets and liabilities in accordance with IAS 39 and IFRS 9 as at 1 January 2018 are compared as follows:

| | IAS 39 國際會計準則第39號 | | IFRS 9 國際財務報告準則第9號 | |
|--|--|---|---------------------------------|---|
| | Measurement category 計量類別 | Carrying amount 賬面值 RMB'000 人民幣千元 | Measurement category 計量類別 | Carrying amount 賬面值 RMB'000 人民幣千元 |
| Financial assets 金融資產 | | | | |
| Financial assets at FVPL 按公允價值計入損益的金融資產 | FVPL 按公允價值計入損益 | 759,564 | FVPL 按公允價值計入損益 | 759,564 |
| Quality assurance fund receivable 應收質量保證金 | Amortized cost (Loans and receivables) 攤銷成本 (貸款及應收款項) | 1,407,981 | Amortized cost 攤銷成本 | 1,361,021 |
| Trade receivables 貿易應收款項 | Amortized cost (Loans and receivables) 攤銷成本 (貸款及應收款項) | 59,957 | Amortized cost 攤銷成本 | 59,881 |
| Prepayments and other receivables 預付款項及其他應收款項 | Amortized cost (Loans and receivables) 攤銷成本 (貸款及應收款項) | 355,799 | Amortized cost 攤銷成本 | 355,577 |

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工 具」—採納之影響 (續)

(i) 金融工具的分類及計量

於2018年1月1日，國際會計準則第39號及國際財務報告準則第9號項下的資產及負債計量類別及賬面值比較如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption
(Cont'd)

(i) Classification and measurement of financial instruments (Cont'd)

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工
具」—採納之影響(續)

(i) 金融工具的分類及計量(續)

| | IAS 39 國際會計準則第39號 | | IFRS 9 國際財務報告準則第9號 | |
|---------------------------------------|--|---|---------------------------------|---|
| | Measurement category 計量類別 | Carrying amount 賬面值 RMB'000 人民幣千元 | Measurement category 計量類別 | Carrying amount 賬面值 RMB'000 人民幣千元 |
| Loans to customers, net 客戶貸款淨額 | Amortized cost (Loans and receivables) 攤銷成本 (貸款及應收款項) | 948,987 | Amortized cost 攤銷成本 | 900,452 |
| Restricted cash 受限制現金 | Amortized cost 攤銷成本 | 1,407,491 | Amortized cost 攤銷成本 | 1,407,491 |
| Cash and cash equivalents 現金及現金等價物 | Amortized cost 攤銷成本 | 1,258,446 | Amortized cost 攤銷成本 | 1,258,446 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption (Cont'd)

(i) Classification and measurement of financial instruments (Cont'd)

Financial Liabilities

There was no change to the classification and measurement of financial liabilities, other than to changes in the fair value of financial liabilities at FVPL that are attributable to changes in the instrument's credit risk, which are now presented in other comprehensive income.

(ii) Reconciliation of financial assets and liabilities balances from IAS 39 to IFRS 9

The Group revised its impairment methodology using ECL model under IFRS 9 for each class of financial assets and financial guarantee contracts (i.e. quality assurance fund payable). The Group performed a detailed analysis of its business models for managing assets and analysis of their cash flow characteristics.

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工 具」—採納之影響 (續)

(i) 金融工具的分類及計量 (續)

金融負債

金融負債的分類及計量並無變動，惟按公允價值計入損益的金融負債的公允價值變動除外，此乃歸因於現於其他全面收益呈列的工具信用風險變動。

(ii) 由國際會計準則第39號過渡至 國際財務報告準則第9號的金融 資產及負債結餘對賬

本集團根據國際財務報告準則第9號對各類金融資產及財務擔保合約（即應付質量保證金）修訂其使用預期信用損失模式的減值方法。本集團對其業務模式進行詳細分析，以管理資產及分析其現金流量特徵。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption
(Cont'd)

(ii) Reconciliation of financial assets and liabilities balances
from IAS 39 to IFRS 9 (Cont'd)

The following table reconciles the carrying amounts of assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 January 2018:

| | IAS 39 carrying amount | Reclassification difference | Remeasurement – impairment allowance | IFRS 9 carrying amount |
|--|------------------------------|--------------------------------|--|------------------------------|
| | 31 December 2017 | | | 1 January 2018 |
| | 國際會計準則 第39號賬面值 | | 重新 計量差額 | 國際財務 報告準則 第9號賬面值 |
| | 2017年 12月31日 | 重新分類差額 | –減值準備 | 2018年1月1日 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Financial assets measured at amortized cost | | 按攤銷成本計量的 金融資產 | | |
| – Restricted cash | 1,407,491 | – | – | 1,407,491 |
| – Cash and cash equivalents | 1,258,446 | – | – | 1,258,446 |
| – Trade receivables | 59,957 | – | (76) | 59,881 |
| – Prepayments and other receivables | 355,799 | – | (222) | 355,577 |
| – Loans to customers, net | 948,987 | – | (48,535) | 900,452 |
| – Quality assurance fund receivable | 1,407,981 | – | (46,960) | 1,361,021 |
| Total financial assets measured at amortized cost | 5,438,661 | – | (95,793) | 5,342,868 |
| | | 按攤銷成本計量的 金融資產總值 | | |

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工
具」–採納之影響(續)

(ii) 由國際會計準則第39號過渡至
國際財務報告準則第9號的金融
資產及負債結餘對賬(續)

下表載列根據國際會計準則第
39號過往計量類別與2018年1
月1日過渡後根據國際財務報
告準則第9號新計量類別計量
的資產賬面值對賬：

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For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption
(Cont'd)

(ii) Reconciliation of financial assets and liabilities balances
from IAS 39 to IFRS 9 (Cont'd)

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工具」—採納之影響(續)

(ii) 由國際會計準則第39號過渡至
國際財務報告準則第9號的金融
資產及負債結餘對賬(續)

| | | IAS 39 carrying amount 31 December 2017 | Reclassification difference | Remeasurement difference | IFRS 9 carrying amount 1 January 2018 |
|---|------------------------|--|--------------------------------|-----------------------------|---|
| | | 國際會計準則 第39號賬面值 2017年12月31日 RMB'000 人民幣千元 | 重新分類差額 RMB'000 人民幣千元 | 重新計量差額 RMB'000 人民幣千元 | 國際財務 報告準則 第9號賬面值 2018年1月1日 RMB'000 人民幣千元 |
| FVPL | 按公允價值計入損益 | | | | |
| – Financial assets at FVPL | – 按公允價值計入損益的 金融資產 | 759,564 | – | – | 759,564 |
| Total financial assets measured at FVPL | 按公允價值計入損益計量的 金融資產總值 | 759,564 | – | – | 759,564 |
| Financial guarantee contracts | 財務擔保合約 | | | | |
| Quality assurance fund payable | 應付質量保證金 | 1,767,210 | – | (10,828) | 1,756,382 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.2 New and amended standards adopted by the Group (Cont'd)

IFRS 9 "Financial Instruments" – Impact of adoption
(Cont'd)

(iii) Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior year's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with IFRS 9 ECL model as at 1 January 2018:

| Measurement category | 計量類別 | Impairment | Reclassification | Remeasurement | ECL |
|--|---|---|------------------|---------------|---|
| | | loss allowance under IAS 39 根據國際會計 準則第39號 計量的減值 虧損撥備 RMB'000 人民幣千元 | difference | difference | allowance under IFRS 9 根據國際財務 報告準則第9號 計量的預期 信用損失撥備 RMB'000 人民幣千元 |
| Non-financial asset | 非金融資產 | | | | |
| Contract assets | 合約資產 | 1,933 | – | 776 | 2,709 |
| Loans and receivables (IAS 39) / financial assets at amortized cost (IFRS 9) | 貸款及應收款項 (國際會計 準則第39號) / 按攤銷成本 計量的金融資產 (國際財務 報告準則第9號) | | | | |
| Trade receivables | 貿易應收款項 | – | – | 76 | 76 |
| Prepayments and other receivables | 預付款項及其他應收款項 | – | – | 222 | 222 |
| Loans to customers, net | 客戶貸款淨額 | 101,772 | – | 48,535 | 150,307 |
| Quality assurance fund receivable | 應收質量保證金 | 331,264 | – | 46,960 | 378,224 |
| | | 433,036 | – | 95,793 | 528,829 |
| Financial guarantee contracts | 財務擔保合約 | | | | |
| Quality assurance fund payable | 應付質量保證金 | 1,767,210 | – | (10,828) | 1,756,382 |

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.2 本集團採納的新訂及經修訂準則 (續)

國際財務報告準則第9號「金融工
具」—採納之影響 (續)

(iii) 由國際會計準則第39號過渡至 國際財務報告準則第9號的減值 撥備結餘對賬

下表載列過往年度根據國際會計準則第39號的已產生虧損模式計量的期末減值撥備，與在2018年1月1日根據國際財務報告準則第9號的預期信用損失模式計量的新減值撥備的對賬：

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.3 New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations that are relevant to the Group but not yet effective for the financial year beginning at 1 January 2018 and have not been early adopted by the Group.

| Standards | Key requirements | Effective for accounting years beginning on or after at the following date or after the accounting year end |
|--|--|---|
| 準則 | 主要規定 | 於下列日期或之後的會計年度生效 |
| IFRIC 23 國際財務報告準則詮釋第23號 | Uncertainty over Income Tax Treatments 有關所得稅處理的不確定性 | 1 January 2019 2019年1月1日 |
| Amendments to IFRS 9 國際財務報告準則第9號 (修訂本) | Prepayment Features with Negative Compensation and Modifications of Financial Liabilities 反向賠償的提前還款特徵及金融負債的變更 | 1 January 2019 2019年1月1日 |
| Amendments to IFRS 3 國際財務報告準則第3號 (修訂本) | The Annual Improvements to IFRSs 2015 – 2017 Cycle 國際財務報告準則2015年至2017年週期年度改進 | 1 January 2019 2019年1月1日 |
| IFRS 16 國際財務報告準則第16號 | Leases 租賃 | 1 January 2019 2019年1月1日 |
| IFRS 11 國際財務報告準則第11號 | The Annual Improvements to IFRSs 2015 – 2017 Cycle 國際財務報告準則2015年至2017年週期年度改進 | 1 January 2019 2019年1月1日 |
| IAS 12 國際會計準則第12號 | The Annual Improvements to IFRSs 2015 – 2017 Cycle 國際財務報告準則2015年至2017年週期年度改進 | 1 January 2019 2019年1月1日 |
| IAS 23 國際會計準則第23號 | The Annual Improvements to IFRSs 2015 – 2017 Cycle 國際財務報告準則2015年至2017年週期年度改進 | 1 January 2019 2019年1月1日 |
| IFRS 17 國際財務報告準則第17號 | Insurance Contracts 保險合約 | 1 January 2021 2021年1月1日 |

Except for IFRS 16 – Leases, the impact of which is disclosed below, the Group does not anticipate that the adoption of the above new standards and amendments will have significant impact on the Group's consolidated financial statements.

IFRS 16: Leases

For IFRS 16, the Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules. The standard will affect primarily the accounting for the Group's operating leases. The Group expects no material impact to the consolidated financial statements.

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.3 尚未採納的新訂準則及詮釋

多項與本集團有關的新訂準則及準則修訂本及詮釋尚未於2018年1月1日開始的財政年度生效且尚未由本集團提早採納。

除國際財務報告準則第16號—租賃(其影響於下文披露)外,本集團預測採納上述新訂準則及修訂本將不會對本集團的綜合財務報表產生重大影響。

國際財務報告準則第16號: 租賃

就國際財務報告準則第16號而言,本集團設立了項目團隊,根據新租賃會計準則對本集團去年所有租賃安排進行了審閱。該標準將主要影響本集團經營租賃的會計處理。本集團預計不會對綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Significant accounting policies (Cont'd)

2.2.3 New standards and interpretations not yet adopted (Cont'd)

IFRS 16: Leases (Cont'd)

As at the reporting date, the Group has non-cancellable operating lease commitments at approximately RMB93,964,000 (Note 36).

For the lessee, under IAS 17 lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts unless the underlying asset is of low value, in the statement of financial position. Accordingly, a lessee should recognize depreciation of the right-of-use asset and interest on the liability in the statement of comprehensive income/(loss), and also classifies cash repayments of the lease liability into principal portion and an interest portion for presentation in the statement of cash flows.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The Group has reviewed its operating lease and is expecting no significant impact from the adoption of the new standard on 1 January 2019.

2 重大會計政策概要 (續)

2.2 重大會計政策 (續)

2.2.3 尚未採納的新訂準則及詮釋 (續)

國際財務報告準則第16號：租賃 (續)

於報告日期，本集團的不可撤銷經營租賃承擔約為人民幣93,964,000元（附註36）。

根據國際會計準則第17條規定，承租人區分為融資租賃（於資產負債表以內）及經營租賃（於資產負債表以外）。就幾乎所有租賃合同而言，國際財務報告準則第16號顯示要求承租人於財務狀況表內確認反映未來租金付款的租賃負債及使用權資產，除非相關資產價值較低。承租人需要於綜合收益／（虧損）表內確認使用權資產的折舊和租賃負債的利息，並將租賃負債的現金還款分為本金部分和利息部分，並於現金流量表呈列。

關於出租人的會計處理，國際財務報告準則第16號沿用國際會計準則第17號相關規定，即出租人將其租賃分類為經營租賃或融資租賃，並以兩種不同的方法作會計處理。

本集團將於準則在2019年1月1日強制採納當日採用該準則。本集團擬應用簡化過渡法且不會就首次採納前之年度重列比較數字。物業租賃使用權資產將於過渡時計量，猶如已一直應用新規則。所有其他使用權資產將於採用時按租賃負債的金額計量（經任何預付或應付租賃開支調整）。本集團已審閱其經營租賃，並預期於2019年1月1日採納新準則時並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries

(a) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income/(loss), statement of financial position, statement of changes in equity/(deficit) respectively.

2 重大會計政策概要 (續)

2.3 附屬公司

(a) 綜合賬目

附屬公司指本集團對其具有控制權之實體(包括結構性實體)。當本集團因參與該實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其對該實體之權力影響此等回報時，本集團即控制該實體。附屬公司乃於控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

公司間交易、結餘及集團內公司間交易的未實現收益予以抵銷。未實現虧損亦予以抵銷，除非有關交易提供轉讓資產出現減值的證據。已對附屬公司的會計政策作出必要變更，以確保與本集團採納的政策一致。

附屬公司的業績及權益中的非控制性權益分別於綜合全面收益/(虧損)表、財務狀況表、權益/(虧絀)變動表單獨列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(a) Consolidation (Cont'd)

Subsidiaries controlled through Contractual Agreements

Zhenniu Information entered into a series of contractual agreements (collectively, "structured entities agreements") with Enniu Network and the direct equity owners of Enniu Network, who are affiliated with the Company. Through these contractual agreements, Zhenniu Information is able to:

- Exercise effective control over Enniu Network and its subsidiaries (collectively, "the structured entities");
- Receive substantially all of the economic benefits and residual returns, and absorb substantially all the risks of expected losses as if it were the sole shareholder; and
- Have an exclusive option to purchase all of the equity interest in structured entities.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(a) 綜合賬目 (續)

透過合約協議控制的附屬公司

振牛信息與恩牛網絡及恩牛網絡的直接股權擁有人(其為本公司的附屬公司)訂立一系列合約協議(統稱為「結構性實體協議」)。透過該等合約協議,振牛信息能夠:

- 對恩牛網絡及其附屬公司(統稱為「結構性實體」)有效行使控制權;
- 取得絕大部分經濟利益及剩餘收益,並承受絕大部分預期虧損風險(猶如其為唯一股東);及
- 可獨家購買結構性實體的全部股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(a) Consolidation (Cont'd)

Subsidiaries controlled through Contractual Agreements (Cont'd)

The Group evaluated the relationships and contractual arrangements among Zhenniu Information, the structured entities and their direct equity owners and concluded that Zhenniu Information is the primary beneficiary in the variable interest arrangement. As a result, the results of operations, assets and liabilities of the structured entities have been included in the Group's consolidated financial statements.

Pursuant to the structured entities agreements, the Group has the power to direct activities of the structured entities and can have assets transferred out of the structured entities under its control. Therefore, the Group considers that there is no asset in any of the structured entities that can be used only to settle obligations of the structured entities, except for registered capital and PRC statutory reserves. As the structured entities are incorporated as limited liability companies under the PRC Company Law, lenders of the structured entities do not have recourse to the general credit of the Group for any of the liabilities of the structured entities.

Currently there is no contractual arrangements which requires the Group to provide additional financial support to the structured entities. However, as the Group conducts its businesses primarily based on the licenses and approvals held by its structured entities, the Group has provided and will continue to provide financial support to the structured entities considering the business requirements of the structured entities, as well as the Group's own business objectives in the future.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(a) 綜合賬目 (續)

透過合約協議控制的附屬公司 (續)

經評估振牛信息、結構性實體及彼等直接股權擁有人之間的關係及合約安排，本集團認為振牛信息為可變權益安排的主要受益人。因此，結構性實體的經營業績、資產及負債列入本集團的綜合財務報表。

根據結構性實體協議，本集團有權指示結構性實體的活動且可擁有從受其控制的結構性實體中轉出的資產。因此，本集團認為，結構性實體中並無僅可用於結算結構性實體責任的資產，惟註冊資本及中國法定儲備除外。由於結構性實體根據中國公司法律註冊為有限責任公司，結構性實體的借款人並無依賴於本集團就任何結構性實體負債的總體信貸。

現時並無合約協議要求本集團向結構性實體提供額外財務支持。然而，由於本集團主要基於其結構性實體持有的許可證及批准開展業務，故本集團經考慮結構性實體的業務需求及本集團未來的業務目標已並將繼續向結構性實體提供財務支持。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(a) Consolidation (Cont'd)

Other structured entities through trust arrangements

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements.

The Group's structured entities include trust schemes. These trust schemes are managed by unaffiliated trust companies and invest the funds raised in loans to individuals (Note 25).

According to the trust scheme agreements, the Group is considered as the primary beneficiary of the trusts and also has the power to direct the activities of the trusts. As a result, the results of operations, assets and liabilities of the trusts have been included in the Group's consolidated financial statements.

Business combinations

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(a) 綜合賬目 (續)

透過信託安排的其他結構性實體

結構性實體則指那些在釐定誰是其控制人時，投票權或類似權利並非重要考量的實體，譬如投票權只涉及行政工作，相關業務活動是通過合約安排方式指導等。

本集團的結構性實體包括信託計劃。信託計劃由非聯屬信託公司管理並投資向個人貸款所籌得的資金（附註25）。

根據信託計劃協議，本集團被視為信託的受益人且有權指示信託的活動。因此，信託的經營業績、資產及負債計入本集團的綜合財務報表。

業務合併

本集團利用購買法將不受共同控制的業務合併入賬。因收購附屬公司獲轉讓的代價根據所轉讓資產、被收購方原擁有人所產生負債及本集團所發行股權的公允價值計算。所轉讓的代價包括或然代價安排所產生的任何資產或負債的公允價值。在業務合併中所收購可識別的資產以及所承擔的負債及或有負債，首先以彼等於收購日期的公允價值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(a) Consolidation (Cont'd)

Business combinations (Cont'd)

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(a) 綜合賬目 (續)

業務合併 (續)

本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公允價值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公允價值計量，除非國際財務報告準則規定必須以其他計量基準計算。

購買相關成本在產生時支銷。

若分階段實現業務合併，過往持有被收購方權益的收購人的收購日期賬面值於收購日期重新計量至公允價值；有關重新計量產生的任何收益或虧損於損益中確認。

本集團將轉讓的任何或然代價於收購日期按公允價值確認。被視作資產或負債的或然代價公允價值的隨後變動根據國際會計準則第39號於損益中確認。被分類為股權的或然代價並無重新計量，及其隨後結算在權益中列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(a) Consolidation (Cont'd)

Business combinations (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income/(loss).

(b) *Separate financial statements*

Investments in subsidiaries (including structured entities) are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividends exceeds the total comprehensive income of the subsidiary in the year the dividends declared or if the carrying amount of the investments in the separate financial statements exceed the carrying amount in the consolidated financial statement of the investee's net assets including goodwill.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(a) 綜合賬目 (續)

業務合併 (續)

所轉讓代價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓代價、確認的任何非控制性權益及之前持有的權益計量，低於議價購買中購入的附屬公司淨資產的公允價值，則將該數額直接在綜合全面收益／（虧損）表中確認。

(b) *獨立財務報表*

於附屬公司的投資（包括結構性實體）按成本扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息年度內附屬公司的全面收益總額，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產（包括商譽）的賬面值，則於自該等投資收取股息時必須對附屬公司投資作減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.3 Subsidiaries (Cont'd)

(b) Separate financial statements (Cont'd)

Particulars of the principal subsidiaries of the Group as at 31 December 2018 are set out below:

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(b) 獨立財務報表 (續)

於2018年12月31日主要附屬公司詳情載列如下：

| Name of Entity 實體名稱 | Date of incorporation 註冊成立日期 | Place of incorporation 註冊成立地點 | Registered capital 註冊資本 | Percentage of attributable equity interest 應佔股權百分比 | Principal activities 主要業務 | Nature of legal Entity 法人性質 |
|---|---------------------------------|----------------------------------|----------------------------|--|---|--------------------------------|
| Beijing Jianguo Credit Management Co., Ltd. | 9 October 2015 | PRC | RMB50,000,000 | 100.00% | Development and operation of apps | Limited Company |
| 北京堅果信用管理有限公司 | 2015年10月9日 | 中國 | 人民幣50,000,000元 | 100.00% | 應用程式開發及運營 | 有限公司 |
| Beijing Shouhui Kaizhuo Technology Co., Ltd. | 12 May 2006 | PRC | RMB5,887,423 | 100.00% | Technology services | Limited Company |
| 北京首惠開卓科技有限公司 | 2006年5月12日 | 中國 | 人民幣5,887,423元 | 100.00% | 技術服務 | 有限公司 |
| Beijing Shouhui Shidai Information Technology Co., Ltd. | 14 May 2012 | PRC | RMB10,000,000 | 100.00% | Technology services | Limited Company |
| 北京首惠時代信息技術有限公司 | 2012年5月14日 | 中國 | 人民幣10,000,000元 | 100.00% | 技術服務 | 有限公司 |
| Beijing Yahui Shidai Information Consulting Co., Ltd. | 28 August 2009 | PRC | RMB100,000,000 | 100.00% | Technology services | Limited Company |
| 北京雅惠時代信息諮詢有限公司 | 2009年8月28日 | 中國 | 人民幣100,000,000元 | 100.00% | 技術服務 | 有限公司 |
| Beijing Yaku Shikong Information Exchange Technology Co., Ltd. | 23 March 2005 | PRC | RMB100,000,000 | 100.00% | Prepaid card issuance and acceptance and internet payment | Limited Company |
| 北京雅酷時空信息交換技術有限公司 | 2005年3月23日 | 中國 | 人民幣100,000,000元 | 100.00% | 充值卡發行及承兌及網絡支付 | 有限公司 |
| China Netcom Technology Holdings Limited ("Netcom") | 11 November 1999 | Cayman Islands | HK\$110,000,000 | 39.28% | Investment holding | Limited Company |
| 中彩網通控股有限公司(「中彩網通」) | 1999年11月11日 | 開曼群島 | 110,000,000港元 | 39.28% | 投資控股 | 有限公司 |
| Daqing Liniu Information Technology Consulting Services Co., Ltd. | 1 March 2017 | PRC | RMB1,000,000 | 100.00% | Loan collection services | Limited Company |
| 大慶利牛信息技術諮詢服務有限公司 | 2017年3月1日 | 中國 | 人民幣1,000,000元 | 100.00% | 收款服務 | 有限公司 |
| Dingli Technology | 14 April 2014 | PRC | RMB25,000,000 | 100.00% | Development and operation of apps | Limited Company |
| 鼎力科技 | 2014年4月14日 | 中國 | 人民幣25,000,000元 | 100.00% | 應用程式開發及運營 | 有限公司 |
| Enniu Network | 2 August 2012 | PRC | RMB500,000,000 | 100.00% | Development and operation of apps | Limited Company |
| 恩牛網絡 | 2012年8月2日 | 中國 | 人民幣500,000,000元 | 100.00% | 應用程式開發及運營 | 有限公司 |
| Fuzhou Enniu Microcredit | 23 June 2017 | PRC | RMB200,000,000 | 100.00% | Micro loan services | Limited Company |
| 撫州恩牛小額貸款 | 2017年6月23日 | 中國 | 人民幣200,000,000元 | 100.00% | 小額貸款服務 | 有限公司 |
| Hangzhou Jiniu Network Technology Co., Ltd. | 23 May 2016 | PRC | RMB20,000,000 | 100.00% | Operation of fund sales | Limited Company |
| 杭州基牛網絡技術有限公司 | 2016年5月23日 | 中國 | 人民幣20,000,000元 | 100.00% | 基金銷售運營 | 有限公司 |
| Hangzhou Liniu Assets Management Co., Ltd. | 22 April 2016 | PRC | RMB206,250,000 | 100.00% | Post-loan management | Limited Company |
| 杭州利牛資產管理有限公司 | 2016年4月22日 | 中國 | 人民幣206,250,000元 | 100.00% | 貸後管理 | 有限公司 |
| Hangzhou Shangniu Information Technology Co., Ltd. | 16 March 2016 | PRC | RMB10,000,000 | 100.00% | Development and operation of apps | Limited Company |
| 杭州尚牛信息技術有限公司 | 2016年3月16日 | 中國 | 人民幣10,000,000元 | 100.00% | 應用程式開發及運營 | 有限公司 |
| Hangzhou Shangniu Investment Management Partnership (Limited Partnership) | 19 May 2017 | PRC | RMB470,000,000 | 26.60% | Investment management | Limited Partnership |
| 杭州尚牛投資管理合夥企業(有限合夥) | 2017年5月19日 | 中國 | 人民幣470,000,000元 | 26.60% | 投資管理 | 有限合夥企業 |
| Hangzhou Shangniu Network Technology Co., Ltd. | 12 December 2014 | PRC | RMB3,125,000 | 100.00% | Technology services | Limited Company |
| 杭州尚牛網絡技術有限公司 | 2014年12月12日 | 中國 | 人民幣3,125,000元 | 100.00% | 技術服務 | 有限公司 |
| Hangzhou Wuyao Technology Co., Ltd. | 25 July 2014 | PRC | RMB500,000,000 | 100.00% | Development and operation of apps | Limited Company |
| 杭州吾幺科技有限公司 | 2014年7月25日 | 中國 | 人民幣500,000,000元 | 100.00% | 應用程式開發及運營 | 有限公司 |
| Hangzhou Xingniu Information Technology Co., Ltd. | 20 October 2017 | PRC | RMB1,000,000 | 100.00% | Technology services | Limited Company |
| 杭州興牛信息技術有限公司 | 2017年10月20日 | 中國 | 人民幣1,000,000元 | 100.00% | 技術服務 | 有限公司 |
| Zhenniu Information | 16 November 2017 | PRC | RMB2,000,000,000 | 100.00% | Technology services | Limited Company |
| 振牛信息 | 2017年11月16日 | 中國 | 人民幣2,000,000,000元 | 100.00% | 技術服務 | 有限公司 |
| Pingxiang Yigengniu Asset Management Partnership (Limited Partnership) | 29 January 2016 | PRC | RMB6,030,744 | 100.00% | Employees' incentive operation | Limited Partnership |
| 萍鄉益耕牛資產管理合夥企業(有限合夥) | 2016年1月29日 | 中國 | 人民幣6,030,744元 | 100.00% | 僱員獎勵計劃 | 有限合夥企業 |

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Subsidiaries (Cont'd)

(b) Separate financial statements (Cont'd)

Particulars of the principal subsidiaries of the Group as at 31 December 2018 are set out below: (Cont'd)

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(b) 獨立財務報表 (續)

於2018年12月31日主要附屬公司詳情載列如下：(續)

| Company name 公司名稱 | Date of incorporation 註冊成立日期 | Place of incorporation 註冊成立地點 | Registered capital 註冊資本 | Percentage of attributable equity interest 應佔股權百分比 | Principal activities 主要業務 | Nature of legal Entity 法人性質 |
|---|---------------------------------|----------------------------------|-----------------------------------|---|---|--------------------------------|
| Pingxiang Yijinniu Asset Management Partnership (Limited Partnership)* 萍鄉益金牛資產管理合夥企業(有限合夥) | 26 January 2017 2017年1月26日 | PRC 中國 | RMB6,030,744 人民幣6,030,744元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Partnership 有限合夥企業 |
| Pingxiang Yimengniu Asset Management Partnership (Limited Partnership)* 萍鄉益猛牛資產管理合夥企業(有限合夥) | 29 January 2016 2016年1月29日 | PRC 中國 | RMB6,030,744 人民幣6,030,744元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Partnership 有限合夥企業 |
| Pingxiang Yiniu Asset Management Partnership (Limited Partnership)* 萍鄉益牛資產管理合夥企業(有限合夥) | 28 January 2016 2016年1月28日 | PRC 中國 | RMB6,030,744 人民幣6,030,744元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Partnership 有限合夥企業 |
| Hangzhou Panniu Financing and Guarantee Co., Ltd.* 杭州磐牛融資擔保有限公司 | 24 May 2018 2018年5月24日 | PRC 中國 | RMB100,000,000 人民幣100,000,000元 | 100.00% 100.00% | Guarantee 擔保 | Limited Company 有限公司 |
| Shanghai Jingjia Network Technology Co., Ltd.* 上海靜嘉網絡科技有限公司 | 17 December 2010 2010年12月17日 | PRC 中國 | RMB400,000,000 人民幣400,000,000元 | 100.00% 100.00% | Development and operation of apps 應用程式開發及運營 | Limited Company 有限公司 |
| Shanghai Qiantian Information Technology Co., Ltd.* 上海前點信息科技有限公司 | 27 May 2009 2009年5月27日 | PRC 中國 | RMB125,000,000 人民幣125,000,000元 | 100.00% 100.00% | Technology services 技術服務 | Limited Company 有限公司 |
| Shanghai Qingniu Business Information Consulting Partnership (Limited Partnership)* 上海卿牛商務信息諮詢合夥企業(有限合夥) | 18 September 2013 2013年9月18日 | PRC 中國 | RMB200,000 人民幣200,000元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Partnership 有限合夥企業 |
| Shanghai Wuniu Network Technology Co., Ltd.* 上海悟牛網絡科技有限公司 | 14 December 2015 2015年12月14日 | PRC 中國 | RMB150,000,000 人民幣150,000,000元 | 100.00% 100.00% | Investment holding and industry investment 投資控股及產業投資 | Limited Company 有限公司 |
| Shenzhen Zhongrong Insurance Brokers Co., Ltd.* 深圳中融保險經紀有限公司 | 28 October 2003 2003年10月28日 | PRC 中國 | RMB50,000,000 人民幣50,000,000元 | 95.00% 95.00% | Insurance broking 保險經紀 | Limited Company 有限公司 |
| Yeniu Asset Management 也牛資產管理 | 24 February 2016 2016年2月24日 | PRC 中國 | RMB400,000,000 人民幣400,000,000元 | 100.00% 100.00% | Credit facilitation service 信貸撮合服務 | Limited Company 有限公司 |
| Yiniu Network 義牛網絡 | 5 May 2015 2015年5月5日 | PRC 中國 | RMB120,000,000 人民幣120,000,000元 | 100.00% 100.00% | Development and operation of apps 應用程式開發及運營 | Limited Company 有限公司 |
| Hefei Liniu Information Technology Co., Ltd. 合肥利牛信息技術有限公司 | 05 December 2018 2018年12月5日 | PRC 中國 | RMB1,000,000 人民幣1,000,000元 | 100.00% 100.00% | Technology services 技術服務 | Limited Company 有限公司 |
| U5I.com Inc. U5I.com Inc. | 8 August 2014 2014年8月8日 | Cayman Islands 開曼群島 | US\$50,000 50,000美元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Subsidiaries (Cont'd)

(b) Separate financial statements (Cont'd)

Particulars of the principal subsidiaries of the Group as at 31 December 2018 are set out below: (Cont'd)

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(b) 獨立財務報表 (續)

於2018年12月31日主要附屬公司詳情載列如下：(續)

| Company name 公司名稱 | Date of incorporation 註冊成立日期 | Place of incorporation 註冊成立地點 | Registered capital 註冊資本 | Percentage of attributable equity interest 應佔股權百分比 As at 31 December 2018 於2018年12月31日 | Principal activities 主要業務 | Nature of legal Entity 法人性質 |
|--|---------------------------------|---|----------------------------|--|--|--------------------------------|
| USI.com Limited USI.com Limited | 15 August 2014 2014年8月15日 | Hong Kong ("HK") 香港 | HK\$1 1港元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |
| 51 Award Limited 51 Award Limited | 27 February 2017 2017年2月27日 | British Virgin Islands ("BVI") 英屬維爾京群島 | US\$1 1美元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Company 有限公司 |
| 51 Credit Card (China) Limited 51信用卡(中國)有限公司 | 13 October 2017 2017年10月13日 | HK 香港 | HK\$1 1港元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |
| 51 Renpin.Com Inc. 51 Renpin.Com Inc* | 7 January 2016 2016年1月7日 | BVI 英屬維爾京群島 | US\$50,000 50,000美元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |
| 51 Renpin.Com (HK) Limited 51 Renpin.Com (HK) Limited | 14 January 2016 2016年1月14日 | HK 香港 | HK\$1 1港元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |
| 51 Stock Limited 51 Stock Limited | 2 August 2017 2017年8月2日 | BVI 英屬維爾京群島 | US\$1 1美元 | 100.00% 100.00% | Employees' incentive operation 僱員獎勵計劃 | Limited Company 有限公司 |
| 51 Credit Card Investment (HK) Limited 51 Credit Card Investment (HK) Limited | 12 September 2018 2018年9月12日 | HK 香港 | HK\$100 100港元 | 100.00% 100.00% | Investment holding 投資控股 | Limited Company 有限公司 |

* The English names of the subsidiaries of the Group represent the best effort of the Company's management to translate their Chinese names, as these subsidiaries do not have official English names.

* 附屬公司的英文名為本公司管理層對其中文名的最大努力的翻譯，這些附屬公司並無正式英文名。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Subsidiaries (Cont'd)

(b) Separate financial statements (Cont'd)

Consolidated structured entities material to the Group during the years represented are set out below:

| Company name 公司名稱 | Collective holding by the Group 本集團投資佔比 | | Product scale 產品規模 | | Principal activities 主要業務 |
|---|--|---------------|------------------------------|---------------|---|
| | As at 31 December 於12月31日 | | As at 31 December 於12月31日 | | |
| | 2018 2018年 | 2017 2017年 | 2018 2018年 | 2017 2017年 | |
| Bohai trust & China Securities Credit Investment 51 Renpindai No.1 single trust plan* 渤海信託及中證信用 51人品貸1號單一信託計劃 | – | – | 28,000,000 | 500,000,000 | Provision of trust loans to borrowers recommended by a service vendor, which is agreed or endorsed by principals/beneficiaries of the trust 向該信託委託人／受益人同意或贊同的服務提供商推薦的借款人提供信託貸款 |
| Bohai trust & Huian No.10 assembled trust plan* 渤海信託及惠安10號 一期集合資金信託計劃 | 18.18% | – | 122,222,300 | – | Provision of trust loans to borrowers recommended by a service vendor, which is agreed or endorsed by principals/beneficiaries of the trust 向該信託委託人／受益人同意或贊同的服務提供商推薦的借款人提供信託貸款 |
| Bohai trust & Huian No.32 assembled trust plan* 渤海信託及惠安32號 合資金信託計劃 | 25.00% | – | 108,670,000 | – | Provision of trust loans to borrowers recommended by a service vendor, which is agreed or endorsed by principals/beneficiaries of the trust 向該信託委託人／受益人同意或贊同的服務提供商推薦的借款人提供信託貸款 |

* The English names of the consolidated structured entities represent the best effort of the Company's management to translate their Chinese name, as these structured entities do not have official English names.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

(b) 獨立財務報表 (續)

於報告年度內對本集團而言屬重要的合併結構化實體載列如下：

* 合併結構化實體的英文名為本公司管理層對其中文名的最大努力的翻譯，這些結構化實體並無正式英文名。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates in the form of ordinary shares

Investments in associates in the form of ordinary shares are accounted for using equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

The Group's share of post-acquisition profit or loss is recognized in the consolidated statement of comprehensive income/(loss), and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated statement of comprehensive income/(loss).

2 重大會計政策概要 (續)

2.4 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。

以普通股形式投資聯營公司

以普通股形式於聯營公司投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司的投資包括收購時已辨認的商譽。在收購聯營公司的所有權權益時，聯營公司成本與本集團享有的對聯營公司可辨認資產和負債的公允價值淨額的差額確認為商譽。

本集團應佔收購後溢利或虧損於綜合全面收益／（虧損）表內確認，而應佔其收購後的其他全面收益變動則於其他全面收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明於聯營公司的投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在綜合全面收益／（虧損）表中於「分佔使用權益法入賬的聯營公司收益」旁確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the vice presidents of the Group that make strategic decisions.

2.6 Functional currency and foreign currency translation

(a) *Functional and presentation currency*

Items included in the 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 functional currency of the Company is United States dollars ("US\$"). The Company's primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. As the major operations of the Group during the reporting year are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

2 重大會計政策概要 (續)

2.5 分部報告

營運分部的報告方式須與主要營運決策者獲提供的內部報告方式一致。主要營運決策者負責分配資源及評估營運分部的表現，並已被確認為本集團作出策略性決策的行政總裁及副總裁。

2.6 功能貨幣及外幣換算

(a) *功能及呈列貨幣*

本集團各實體的財務報表所列項目，均以該實體經營所處的主要經濟環境的貨幣（「功能貨幣」）計量。本公司的功能貨幣為美元（「美元」）。本公司的主要附屬公司於中國註冊成立及該等附屬公司將人民幣視為彼等的功能貨幣。由於本集團於報告年度的主要經營在中國境內，故本集團決定以人民幣呈報其綜合財務報表（除非另有指明）。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.6 Functional currency and foreign currency translation (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income/(loss) within "Finance expenses, net".

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income/(loss), within "Finance expenses, net". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income/(loss) on a net basis within "Other (losses)/gains, net".

Translation differences on non-monetary financial assets and liabilities such as equities held at FVPL are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

2 重大會計政策概要 (續)

2.6 功能貨幣及外幣換算 (續)

(b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的現行匯率換算為功能貨幣。因結算該等交易產生的外匯收益及虧損以及將外幣計值的貨幣資產及負債以年終匯率換算產生的外匯收益及虧損於綜合全面收益／(虧損)表內「財務開支淨額」確認。

與借貸相關的外幣換算收益及虧損均於綜合全面收益／(虧損)表中呈報為「財務開支淨額」。所有其他外幣換算收益及虧損均於綜合全面收益／(虧損)表中呈報為「其他(虧損)／收益淨額」。

非貨幣性金融資產及負債(例如按公允價值透過損益列賬的權益)的換算差額均於損益內確認為公允價值收益及虧損的一部分。非貨幣性金融資產(例如分類為可供出售的權益)的換算差額計入其他全面收益內。

(c) 集團公司

功能貨幣與呈列貨幣不同的所有本集團實體(均無極高通脹經濟地區的貨幣)的業績及財務狀況,均按下列方式換算為呈列貨幣:

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.6 Functional currency and foreign currency translation (Cont'd)

(c) Group companies (Cont'd)

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each statement of comprehensive income/(loss) are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

2 重大會計政策概要 (續)

2.6 功能貨幣及外幣換算 (續)

(c) 集團公司 (續)

- (i) 各財務狀況表內呈列的資產及負債按財務狀況表日期的收市匯率換算；
- (ii) 綜合全面收益／(虧損)表內的各收支按平均匯率換算(除非該平均匯率未能合理反映交易日期現行匯率所帶來的累積影響，則按照交易日期的匯率換算該等收支)；及
- (iii) 所有因此而產生的匯兌差額於其他全面收益確認。

因收購海外實體而產生的商譽及公允價值調整，均作為有關海外實體的資產與負債，並按收市匯率換算。貨幣換算差額於其他全面收益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.7 Property and Equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | Estimated useful lives of the assets |
|-----------------------------------|--|
| Computer and electronic equipment | 3 years |
| Office furniture and equipment | 3 years |
| Leasehold improvements | Estimated useful lives or remaining lease terms, whichever is shorter |
| Building | 20 years |
| Motor vehicles | 4 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (losses)/gains, net' in the consolidated statement of comprehensive income/(loss).

2 重大會計政策概要 (續)

2.7 物業及設備

物業及設備按歷史成本減折舊列賬。歷史成本包括收購項目的直接應佔開支。

物業及設備折舊使用直線法計算，按其估計可使用年期將其成本分配至其剩餘價值，有關估計可使用年期如下：

| | 資產的估計 可使用年期 |
|---------|---------------------------------------|
| 電腦及電子設備 | 3年 |
| 辦公傢俬及設備 | 3年 |
| 租賃裝修 | 估計使用 年期或餘下 租賃年期 (以較短者 為準) |
| 樓宇 | 20年 |
| 汽車 | 4年 |

資產的剩餘價值及可使用年期在各報告年度進行審閱並調整（如適用）。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額。

出售收益及虧損按所得款項與賬面值的差額釐定，並在綜合全面收益／（虧損）表內的「其他（虧損）／收益淨額」確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.8 Intangible assets

The Group's intangible assets include software, platform, applications, license and goodwill (Note 2.10).

Intangible assets can be recognized only when future economic benefits expected to be obtained from the use of the item will flow into the Group and its cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development staff cost and an appropriate portion of relevant overheads.

2 重大會計政策概要 (續)

2.8 無形資產

本集團無形資產包括軟件、平台、應用、牌照及商譽(附註2.10)。

無形資產僅於未來經濟利益預期將因使用項目流入本集團且其成本能可靠計量時，才予確認。單獨收購的無形資產按成本於初始確認時計量。於業務合併時收購的無形資產成本為收購日期的公允價值。

與維護電腦軟件程式相關的成本於產生時確認為開支。當符合以下條件時，設計及測試由本集團控制的可識別及獨特軟件產品的直接應佔開發成本確認為無形資產：

- 完成該軟件產品以使其能使用或銷售，在技術上是可行的；
- 管理層有意完成該軟件產品並將之使用或出售；
- 有能力使用或出售該軟件產品；
- 能顯示該軟件產品如何產生可能出現的未來經濟利益；
- 有足夠的技術、財務及其他資源完成開發並可使用或出售該軟件產品；及
- 該軟件產品在開發期內應佔開支能可靠地計量。

為軟件產品一部分的直接應佔成本資本化，包括軟件開發的僱員成本及適當部分的有關經常開支。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.8 Intangible assets (Cont'd)

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

The useful lives of intangible assets are assessed by the period of bringing economic benefits for the Group.

The intangible assets acquired in a business combination, mainly including software, platform, applications, license and goodwill, are recognized initially at fair value at the acquisition date and subsequently carried at the amount initially recognized less accumulated amortisation and impairment losses, if any.

The estimated useful lives of intangible assets are as follows:

| | Estimated useful lives of the assets |
|--------------|--------------------------------------|
| Software | 2-3 years |
| Platform | 5 years |
| Applications | 10 years |
| Trademark | 10 years |
| License | Indefinite |
| Goodwill | Indefinite |

Intangible assets with finite lives are subsequently amortized on the straight-line basis over the useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed, and adjusted if appropriate, at least at each year end.

Intangible assets with indefinite useful lives are not amortized, but are subject to annual impairment assessment.

2 重大會計政策概要 (續)

2.8 無形資產 (續)

其他不符合該等條件的開發支出於產生時確認為開支。先前確認為開支的開發成本不會在後續期間確認為資產。

無形資產的使用年期按為本集團帶來經濟利益的期間評估。

業務合併中收購的無形資產(主要包括軟件、平台、應用、牌照及商譽)於收購日期初步按公允價值確認及隨後按初始確認金額減累計攤銷及減值虧損(如有)的金額列賬。

無形資產的估計可使用年期如下:

| | 資產的估計使用年期 |
|----|-----------|
| 軟件 | 2至3年 |
| 平台 | 5年 |
| 應用 | 10年 |
| 商標 | 10年 |
| 牌照 | 無限期 |
| 商譽 | 無限期 |

有限使用年期的無形資產隨後在其可使用年內按直線基準攤銷。有限使用年期的無形資產的攤銷期間及攤銷法至少於各年末進行審視及調整(倘適用)。

具有無限期使用年期的無形資產不會攤銷,惟會進行年度減值評估。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interests in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

2 重大會計政策概要 (續)

2.9 非金融資產減值

無限可使用年期的無形資產(或尚未能使用的無形資產)毋須攤銷,惟須每年進行減值測試。須攤銷之資產須於發生事情或情況變動顯示其賬面值可能無法收回時進行減值審視。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額指資產公允價值減銷售成本及使用價值的較高者。就評估減值而言,資產按獨立可識別現金流量的最低水平歸類。已減值的非金融資產(商譽除外)於各報告日期審視是否可能撥回減值。

2.10 商譽

商譽於收購附屬公司時產生,即所轉讓代價超出本集團所佔被收購人可識別淨資產、負債及或有負債的公允價值以及被收購人非控股權益的公允價值的差額。

就減值測試而言,業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值審視,當有事件出現或情況改變顯示可能出現減值時,作出更頻密審視。商譽賬面值與可收回金額作比較,可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支,且其後不會撥回。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策

計量方法

攤銷成本及實際利率

攤銷成本是初始確認金融資產或金融負債減償還本金，加上或者減去使用實際利率法計量的累計攤銷的初始金額和到期金額的差額，而就金融資產而言，則對任何虧損撥備進行調整。

實際利率是將預估未來現金支出或收入按金融資產或負債的預期年限準確貼現成金融資產的賬面價值總額（即其扣除減值撥備前的攤銷成本），或金融負債攤銷成本的利率。該計算不考慮預期信用損失，並包括交易成本、保險費或折讓，以及已付或已收的與實際利率不可分割的費用和費率（如籌辦費用）。

當本集團修訂對未來現金流量的估計時，相應的金融資產或金融負債的賬面價值將被調整，以反映使用原實際利率貼現的新估計。任何變動均於損益內確認。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

Measurement methods (Cont'd)

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVPL are expensed in profit or loss. Immediately after initial recognition, an ECL allowance is recognized for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income (“FVOCI”), which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

計量方法 (續)

利息收入

利息收入的計算方法是將實際利率應用於金融資產的賬面總額。

初始確認及計量

金融資產和金融負債在該實體成為該工具的合約條款中的一方時確認。金融資產的常規購買和銷售確認於交易日，即本集團承諾購買或出售資產的日期。

於初始確認時，本集團按公允價值計量金融資產或金融負債，對於不是以公允價值計量且其變動計入損益的金融資產或金融負債，則還應該加上或減去可直接歸屬於獲得或發行該金融資產或金融負債的交易費用，例如手續費和佣金。以公允價值計量且其變動計入損益的金融資產和金融負債的交易費用作為費用計入損益。當新產生一項資產時，緊隨初始確認後，就以攤銷成本計量的金融資產以及按公允價值計入其他全面收益（「按公允價值計入其他全面收益」）的債務工具投資確認預期信用損失撥備，此舉導致於損益確認會計損失。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets

(i) Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- FVPL;
- FVOCI; or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, trade receivables and other receivables.

Classification and subsequent measurement of debt instruments depend on:

- The Group's business model for managing the asset; and
- The cash flow characteristics of the asset.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產

(i) 分類和後續計量

自2018年1月1日起，本集團已採用國際財務報告準則第9號，並將其金融資產分為以下數類：

- 按公允價值計入損益的金融資產；
- 按公允價值計入其他全面收益的金融資產；或
- 以攤銷成本計量的金融資產。

債務和權益工具的分類要求如下：

債務工具

債務工具是從發行人的角度來定義金融負債的工具，如貸款、貿易應收款項及其他應收款項。

債務工具的分類和後續計量取決於：

- 本集團管理資產的經營模式；及
- 資產的現金流量特徵。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (‘SPPI’), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured. Interest income from these financial assets is included in ‘Other revenue’ using the effective interest rate method.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

基於這些因素，該集團將其債務工具分為以下三種計量類別：

- 攤銷成本：為收取合約現金流而持有的資產，這些現金流指單獨支付本金和利息（「單獨支付本金和利息」）及非指定按公允價值計入損益的資產，則按攤銷成本計量。這些資產的賬面價值根據已確認及計量的預期信用損失撥備進行調整。這些金融資產的利息收入採用實際利率法計入「其他收益」。

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綜合財務報表附註

For the year ended 31 December 2018

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in 'Net Investment Income'. As at 31 December 2018, the Group did not hold financial assets classified as FVOCI.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

- 按公允價值計入其他全面收益的金融資產：以持有的合約現金流和出售為目的金融資產，資產的現金流代表僅支付本金和利息，及非指定為按公允價值計入損益的金融資產，是按公允價值計入其他全面收益計量。賬面金額的變動是計入其他全面收益，但資產減值損益、利息收入及外匯利得及工具攤銷成本的損失除外則確認為當期損益。當終止確認金融資產時，先前在其他全面收益中確認的累計利得和損失，將從權益中重分類為當期損益，並在「投資收益淨額」中確認。於2018年12月31日，本集團並無持有分類作按公允價值計入其他全面收益的金融資產的金融資產。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of comprehensive income/(loss) within ‘Other (losses)/gains, net’ in the period in which it arises.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

- 按公允價值計入損益的金融資產：不符合攤銷成本或按公允價值計入其他全面收益標準的資產，是按公允價值計入損益。債務投資收益或損失後續計量是按公允價值計入損益計量，並且不是套期關係的一部分，其收益和損失在損益中確認並列入當期全面收益／（虧損）表內的「其他（虧損）／收益淨額」。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

• (Cont'd)

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

• (續)

經營模式：經營模型反映了本集團如何管理資產以產生現金流。即，本集團的目標是單純從資產中收集合約現金流，還是同時收集合約現金流及出售資產產生的現金流。倘若該兩項均不適用（例如持作交易的金融資產），則金融資產被歸類為「其他」經營模式的一部分，並按公允價值計入損益的金融資產進行計量。本集團在考慮確定一組資產的經營模式的因素中，包括如何收集該等資產的現金流，如何評估資產的表現，如何向關鍵管理人員報告，如何評估和管理風險以及管理人員如何獲得報酬的過去經驗。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

• (Cont'd)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

• (續)

單獨支付本金和利息：經營模式是持有資產以收集合約現金流或收集合約現金流並出售，本集團評估金融工具的現金流是否代表單獨本金和利息的支付（「單獨支付本金和利息測試」）。在進行評估時，本集團會考慮合約現金流量是否符合基本貸款安排，即利息只包括貨幣的時間價值、信用風險、其他基本貸款風險，以及與基本貸款安排相符的利潤率。如果合約條款引入了與基本貸款安排不一致的風險或波動風險，則相關金融資產按公允價值計入損益進行分類和計量。

當確定其現金流是否單獨支付本金和利息時，嵌入衍生品的金融資產將被作為一個整體考慮。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Debt instruments (Cont'd)

• (Cont'd)

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting year following the change. Such changes are expected to be very infrequent and none occurred during the year.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

債務工具 (續)

• (續)

只有當管理這些資產的經營模式發生變化時，本集團才會對債務投資進行重新分類。重新分類發生在變更後的第一個報告年度的開始。預計這種變化非常罕見，或在此年度不會發生。

權益工具

權益工具是從發行人的角度來定義權益的工具；即，不包含支付合約義務，體現發行人的淨資產的剩餘利息。

本集團對所有權益投資的後續計量都是按公允價值計入損益，除本集團管理層在初始確認時決定不可撤銷地指定一項權益投資按公允價值計入其他全面收益外。本集團的政策為，當股權投資持作產生投資回報以外的用途時，將該等投資指定為按公允價值計入其他全面收益。當採用該決定時，公允價值變動損益會被計入其他全面收益，而不會在後續重新分類為損益，處置資產時依舊如此。代表此類投資的回報的股息，一旦確立本集團獲得收款權利時，股息將繼續作為其他收入計入損益。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and subsequent measurement (Cont'd)

Equity instruments (Cont'd)

Gains and losses on equity investments at FVPL are included in the ‘Other (losses)/gains, net’ line in the consolidated statement of comprehensive income/ (loss).

As at 31 December 2018, the Group does not hold financial assets classified as FVOCI.

(ii) Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from financial guarantee contracts and contract assets. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 分類和後續計量 (續)

權益工具 (續)

按公允價值計入損益的股權投資收益及虧損計入綜合全面收益／(虧損)表的「其他(虧損)／收益淨額」。

於2018年12月31日，本集團並無持有分類作按公允價值計入其他全面收益的金融資產。

(i) 減值

本集團在前瞻性的基礎上評估與其持有的以攤銷成本和按公允價值計入其他全面收益計量的債務工具資產相關的預期信用損失，以及與金融擔保合約及合約資產相關的風險。本集團在各報告日期對該等虧損確認減值撥備。預期信用損失的計量反映如下：

- 通過評估一系列可能的結果而確定的無偏差和概率加權金額；
- 金錢的時間價值；及
- 在列報期提供不以不當成本或努力獲得關於過去事件、當前狀況和對未來經濟狀況的預測的合理和可支援的資訊。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.11 IFRS 9 “Financial Instruments” – Accounting policies applied from 1 January 2018 (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment (Cont'd)

For contract assets, trade receivables, prepayments and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.12 Financial instrument – Accounting policies adopted until 31 December 2017

The Group has adopted International Accounting Standard 39 – Financial Instruments: confirmation and measurement (IAS 39) to confirm and measure financial instruments in 2017.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves of the current year. Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current year. The comparative period notes disclosures repeat those disclosures made in the prior year.

(a) Classification, recognition and measurement

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred, and on the contractual terms of the financial instruments. The categories are: financial assets at FVPL, loans and receivables, and available-for-sale financial assets

2 重大會計政策概要 (續)

2.11 國際財務報告準則第9號「金融工具」—自2018年1月1日起應用的會計政策 (續)

(a) 金融資產 (續)

(i) 減值 (續)

就合約資產、貿易應收款項、預付款項及其他應收款項而言，本集團採用國際財務報告準則第9號所允許的簡化方法，該方法要求在初始確認應收款項時確認預期終生損失。

2.12 金融工具—於2017年12月31日前一直採納的會計準則

本集團於2017年採納國際會計準則第39號「金融工具：確認及計量」（國際會計準則第39號），以確認及計量金融工具。

根據國際財務報告準則第9號的過渡要求，本集團選擇不重述比較數據。金融資產和負債於過渡當日的賬面值調整乃於本年度的期初留存收益和其他儲備乃確認。其後，就附註披露資料而言，國際財務報告準則第7號披露資料的其後修訂，亦僅適用於本年度。比較期間的附註披露資料乃複述過往年度所披露的資料。

(a) 分類、確認及計量

本集團在開始時將其金融工具分為不同類別，具體取決於收購資產或產生負債的目的，以及金融工具的合約條款。金融工具被分為不同類別：按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融資產。

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial instrument – Accounting policies adopted until 31 December 2017 (Cont'd)

(a) Classification, recognition and measurement (Cont'd)

The Group's financial assets are initially measured at fair value, which normally will be equal to the transaction price plus, in case of a financial asset not held at FVPL, transaction costs that are incremental and directly attributable to the acquisition of the financial asset. Transaction costs on financial assets at FVPL are expensed immediately in profit or loss.

(i) Financial assets at FVPL

Financial assets at FVPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognized in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premiums on acquisition and includes fees or costs that are an integral part of the effective interest rate. Costs of obtaining a contract that are not incremental are expensed as incurred.

2 重大會計政策概要 (續)

2.12 金融工具—於2017年12月31日前一直採納的會計準則 (續)

(a) 分類、確認及計量 (續)

本集團的金融資產初始以公允價值計量，而公允價值通常與交易價格相同，對於並非按公允價值計入損益持有的金融資產，則另加因收購金融資產而增加及直接應佔的交易成本。按公允價值計入損益的金融資產的交易成本乃立即於損益支銷。

(i) 按公允價值計入損益的金融資產

按公允價值計入損益的金融資產採用公允價值進行後續計量，公允價值變動產生的任何收入或損失以及該等金融資產賺取的任何股息或利息收入於損益確認。

(ii) 貸款及應收款項

貸款及應收款項為具固定或可予釐定付款金額的非衍生金融資產，在活躍市場中並無報價。在初步計量後，該等資產其後會以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本計及收購時的任何折讓或溢價計算得出，並包括組成實際利率一部分的費用或成本。有關獲取合同的非增支成本在發生時計入費用。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial instrument – Accounting policies adopted until 31 December 2017 (Cont'd)

(b) De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

2 重大會計政策概要 (續)

2.12 金融工具—於2017年12月31日前一直採納的會計準則 (續)

(b) 終止確認金融資產

僅於獲取金融資產所產生現金流量的合同權利到期，或者將金融資產及該資產所有權上幾乎所有的風險及報酬轉讓給另一方的情況下，本集團才終止確認金融資產。若本集團既沒有轉讓也沒有保留金融資產所有權上幾乎所有的風險和報酬，但未放棄對已轉讓資產的控制權，則本集團將確認從其於該資產的保留權益及與其可能須支付金額有關的負債。若本集團保留被轉讓金融資產所有權上幾乎所有的風險及報酬，則應繼續確認該金融資產並同時將已收所得款項確認為一項抵押借款。

於金融資產整體終止確認時，資產賬面值與已收及應收對價及已於其他綜合收入確認並於權益累計的累計收入或損失的總值的差額於損益確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial instrument – Accounting policies adopted until 31 December 2017 (Cont'd)

(c) Impairment of financial assets – IAS 39

Financial assets, other than those at FVPL, are assessed for indicators of impairment at the end of the reporting year. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment of financial assets could include the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract, such as a default or delinquency in interest or principal payments;
- (3) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (5) The disappearance of an active market for that financial asset because of financial difficulties;

2 重大會計政策概要 (續)

2.12 金融工具—於2017年12月31日前一直採納的會計準則 (續)

(c) 金融資產的減值—國際會計準則第39號

除按公允價值計入損益的金融資產外的其他金融資產應在報告年度末評估是否存在減值跡象。倘存在客觀證據表明金融資產初始確認後發生的一個或多個事項影響到該金融資產的預計未來現金流量，則視為該金融資產發生減值。

金融資產發生減值的客觀證據，包括下列可觀察到的各項事項：

- (1) 發行方或債務人發生嚴重財務困難；
- (2) 違反合同，如違約或逾期償付利息或本金；
- (3) 債權人出於經濟或法律等方面因素的考慮，對發生財務困難的借款人作出原本不會考慮的讓步；
- (4) 借款人很可能破產或者進行其他財務重組；
- (5) 因財務困難，導致金融資產無法在活躍市場繼續交易；

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial instrument – Accounting policies adopted until 31 December 2017 (Cont'd)

(c) Impairment of financial assets – IAS 39 (Cont'd)

- (6) 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 assets in the group, including: adverse changes in the payment status of borrowers in the group; and national or local economic conditions that correlate with defaults on the assets in the group;
- (7) Any significant change with an adverse effect that has taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of investments in equity instruments may not be recovered;
- (8) A significant or prolonged decline in the fair value of equity instrument investments; and
- (9) Other objective evidence indicating impairment of the financial asset.

2 重大會計政策概要 (續)

2.12 金融工具—於2017年12月31日前一直採納的會計準則 (續)

(c) 金融資產的減值—國際會計準則第39號 (續)

- (6) 可觀察數據顯示某一組別金融資產自該等資產的初始確認後，其估計未來現金流量出現重大跌幅，儘管未能確定與該跌幅有關的組別內個別金融資產，該等數據包括：組別內借款人付款情況的不利變動；及與組別內資產逾期情況相關的全國或地區經濟狀況；
- (7) 權益工具發行人經營所處的技術、市場、經濟或法律環境等發生重大不利變化，使權益工具投資人可能無法收回投資成本；
- (8) 權益工具投資的公允價值發生嚴重或非暫時性下跌；及
- (9) 其他表明金融資產發生減值的客觀證據。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial instrument – Accounting policies adopted until 31 December 2017 (Cont'd)

(c) Impairment of financial assets – IAS 39 (Cont'd)

Impairment of financial assets carried at amortised cost

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively reassesses them for impairment. Assets for which an impairment loss is individually recognized are not included in a collective assessment of impairment.

If a financial asset carried at amortised cost are impaired, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of reduction is recognized as an impairment loss in profit or loss and is recorded through the use of an allowance account. When a financial asset is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. If, subsequent to the recognition of an impairment loss on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

2 重大會計政策概要 (續)

2.12 金融工具—於2017年12月31日前一直採納的會計準則 (續)

(c) 金融資產的減值—國際會計準則第39號 (續)

以攤銷成本計量的金融資產減值

本集團對單項金額重大的金融資產單獨進行減值評估；對單項金額不重大的金融資產，單獨進行減值評估或包括在具有類似信用風險特徵的金融資產組合中進行集體減值評估。如果本集團確定單獨評估時不存在減值客觀證據的金融資產（包括單項金額重大和不重大的金融資產），則將其包括在具有類似信用風險特徵的金融資產組合中再進行集體減值評估。已單項確認減值損失的金融資產，不包括在集體減值評估。

以攤銷成本計量的金融資產如果出現減值則將其賬面值減記至按照該金融資產的原實際利率折現確定的預計未來現金流量現值（不包括尚未發生的未來信用損失）。減記金額於損益內確認為減值損失，並通過使用撥備賬戶記錄。倘金融資產被視為不可收回，則應與撥備賬戶進行核銷。以後收回的已核銷金額應計入損益。以攤銷成本計量的金融資產在確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該減值後發生的事項有關，原確認的減值損失予以轉回，但金融資產轉回減值損失後的賬面值不超過假定不確認減值情況下該金融資產在轉回日的攤銷成本。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.13 Financial liabilities

Classification and subsequent measurement

In both the current and prior years, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at FVPL: this classification is applied to derivatives, financial liabilities held for trading and measured at fair value. Gains or losses on financial liabilities at FVPL are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

2 重大會計政策概要 (續)

2.13 金融負債

分類和後續計量

在當年度和以前年度，金融負債均按攤銷成本計量分類，下列情況除外：

- 按公允價值計入損益的金融負債：這種分類適用於衍生品、持作交易並按公允價值計量的金融負債。按公允價值計入損益的金融負債的利得和損失部分列入其他全面收益（由該負債信用風險的變化導致的公允價值變動，而不是由市場條件變化引起的市場風險所導致）和部分列入損益（剩餘的負債的公允價值變化數額），但如果上述方式會產或擴大會計錯配，那麼源於自身信用風險的公允價值變動也計入損益；

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.13 Financial liabilities (Cont'd)

Classification and subsequent measurement (Cont'd)

- Financial guarantee contracts: Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans. The Group's financial guarantee contracts is reflected as the quality assurance fund payable recorded in the consolidated statement of financial position. The quality assurance fund is a protection mechanism offered to investors who subscribe to the loans facilitated on the Group's platform. The quality assurance fund contribution rates are determined at loan inception on a loan by loan basis and does not subsequently change over the life of the loan. The determination of the contribution rates is also based on the estimated loss rate of the loans, taking into account the underlying risk profile and historical loss record and other market factors when necessary.

Financial guarantee contracts (i.e. quality assurance fund payable) are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognized in accordance with the principles of IFRS 15.

For financial guarantee contracts, the loss allowance is recognized as a provision.

2 重大會計政策概要 (續)

2.13 金融負債 (續)

分類和後續計量 (續)

- 金融擔保合約：財務擔保合約為規定發行人因須支付特定款項以償付持有人因指定債務人未能根據債務工具的原先或經修訂條款支付到期款項而產生的虧損。該等金融擔保乃代表客戶向銀行、金融機構及其他人士作出，以擔保貸款。本集團的財務擔保合約反映為於綜合財務狀況表中記錄的應付質量保證基金。質量保證金是向認購於本集團上撮合的貸款的投資者提供的保障機制。質量保證金出資率於貸款訂立時按個別基準釐定，之後在貸款期限內維持不變。出資率的釐定亦基於貸款的估計損失率進行，當中計及相關風險概況及歷史虧損記錄及其他市場因素（如必要）。

金融擔保合約（即應付質量保證金）初始計量以公允價值計量，後續計量以下列較高者計量：

- 減值損失金額；及
- 根據國際財務報告準則第15號的原則，初始確認收到的保險費減去已確認的收入。

就金融擔保合約而言，虧損撥備確認為準備金。

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For the year ended 31 December 2018

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.13 Financial liabilities (Cont'd)

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with gains or losses arising from de-recognition or amortisation recognized in profit or loss.

De-recognition of financial liabilities

The Group derecognizes a financial liability or part of it only when the underlying present obligation or part of it is discharged, cancelled or expired. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 重大會計政策概要 (續)

2.13 金融負債 (續)

其他金融負債

其他金融負債採用實際利率法，按攤銷成本進行後續計量，終止確認或攤銷產生的收益或虧損於損益確認。

金融負債的終止確認

當金融負債的現時義務全部或部分已經解除、取消或到期，本集團才終止確認該金融負債或其一部分。本集團（現有借款人）與現有貸款人之間簽訂協議，以承擔新金融負債方式替換原有金融負債，且新金融負債與原有金融負債的合約條款實質上不同，則終止確認原有金融負債，並同時確認新金融負債。

當本集團全部或部分終止確認金融負債，將終止確認部分的賬面值與已付和應付代價（包括轉出的非現金資產或承擔的新金融負債）之間的差額，於損益確認。

2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在綜合財務狀況表報告其淨額。法定可執行權利不得視未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時亦必須可強制執行。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.15 Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange contracts to hedge its foreign currency risk. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

2.16 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. All the trade receivables of the Group are expected in one year or less, therefore, they are presented as current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2 重大會計政策概要 (續)

2.15 衍生金融工具

本集團使用衍生金融工具(如外匯合約)對沖外匯風險。該等衍生金融工具於衍生工具合約訂立日期初步按公允價值確認,其後按公允價值重新計量。衍生工具於公允價值為正數時列為資產,於公允價值為負數時列為負債。

衍生工具公允價值變動產生的任何收益或虧損直接計入損益。

2.16 貿易及其他應收款項

貿易應收款項為在日常業務過程中就商品銷售或服務執行而應收客戶的款項。如貿易及其他應收款項的收回預期在一年或以內(如在正常業務經營週期中,則可為較長時間),其被分類為流動資產;否則呈列為非流動資產。本集團所有貿易應收款項均預計於一年或以內收回,故被呈列為流動資產。

貿易及其他應收款項以公允價值初始確認,其後利用實際利率法按攤銷成本扣除減值撥備計量。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash at banks and other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury share), the considerations paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs) is included in equity attributable to the Company's equity holders.

2.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income/(loss) over the period of the borrowings using the effective interest method.

2 重大會計政策概要 (續)

2.17 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括銀行現金及原屆滿期限為三個月或以下的其他短期高流動性投資。

2.18 股本

普通股分類為權益。

與發行新普通股或購股權直接有關的增量成本，於權益列為所得款項的減項（扣除稅項）。

倘任何集團公司購買本公司股本（庫存股份），則已付代價（包括任何直接應佔增量成本）從本公司權益持有人應佔權益中扣除，直至股份註銷或再發行。倘該等股份其後再發行，則任何已收代價（扣除任何直接應佔增量交易成本）計入本公司權益持有人應佔權益中。

2.19 借款

借款初步按公允價值扣除所產生的交易成本確認。借款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額使用實際利率法於借款期間在綜合全面收益／（虧損）表確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.19 Borrowings (Cont'd)

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

2.20 Financial guarantee

Quality assurance fund payable

The quality assurance fund payable is measured at their fair value at inception. The Group is not obligated to pay default loans in the event no funds are available in the quality assurance fund account. Once the investors are paid for a borrower's default, any future principal and interests recovered are contributed into the quality assurance fund account. Subsequent to initial recognition, the quality assurance fund payable is measured at the greater of 1) the amount determined in accordance with IFRS 9 and 2) the amount initially recognized (fair value) less, when appropriate, cumulative amortization of the initial amount recognized in accordance with IFRS 15. The Group's financial guarantee is reflected as the quality assurance fund payable recorded in the consolidated statement of financial position (Note 22).

2 重大會計政策概要 (續)

2.19 借款 (續)

倘貸款融資很有可能部分或全部被提取，則就設立貸款融資時支付的費用確認為貸款交易成本。在此情況下，費用遞延至提取發生為止。倘無任何證據顯示該貸款很有可能部分或全部提取，則該費用撥充資本作為流動資金服務的預付款，並於有關融資期間攤銷。

除非本集團有無條件權利遞延結算報告年度後至少12個月的負債，否則借款歸類為流動負債。

2.20 財務擔保

應付質量保證金

應付質量保證金於初始時按其公允價值計量。倘質量保障基金賬戶內無可用資金，本集團並無義務支付違約貸款。一旦投資者就借款人違約獲得付款，所收回的任何未來本金及利息均繳入質量保障基金賬戶。於初始確認後，應付質量保證金按下列各項之最大者計量：1) 根據國際財務報告準則第9號釐定的金額及2) 初始確認的金額（公允價值）減（倘適合）根據國際財務報告準則第15號確認的初步金額的累計攤銷。本集團的財務擔保作為應付質量保證金反映於綜合財務狀況表入賬（附註22）。

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For the year ended 31 December 2018

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Financial guarantee (Cont'd)

Quality assurance fund receivable

The quality assurance fund receivable is recognized at loan inception for amounts allocated to the guarantee. At each reporting date, the Group estimates the future cash flows and assesses whether there is any indicator of impairment to any individual underlying loan of the quality assurance fund receivable. If the carrying amounts of the quality assurance fund receivable exceeds the expected collections, an impairment loss is recorded for the quality assurance fund receivable not recoverable.

2.21 Preferred shares

Preferred shares are redeemable upon occurrence of certain future events and at the option of the holders. This instrument may be converted into ordinary shares of the Company at any time at the option of the holders or automatically converted into ordinary shares upon occurrence of an IPO of the Company or agreed by majority of the holders as detailed in Note 30.

The Group designated the preferred shares as financial liabilities at FVPL. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance expenses in the consolidated statement of comprehensive income/(loss).

Subsequent to initial recognition, the preferred shares are carried at fair value with changes in fair value recognized in the profit or loss.

The preferred shares are classified as non-current liabilities unless the Group has an obligation to settle the liability within 12 months after the end of the reporting year.

2 重大會計政策概要 (續)

2.20 財務擔保 (續)

應收質量保證金

應收質量保證金就分配予擔保的款項於貸款發放時確認。於各報告日期，本集團估計未來現金流量及評估是否存在任何減值至應收質量保證金任何個別相關貸款的指標。倘應收質量保證金的賬面值超過預期收款，則就未能收回的應收質量保證金錄得減值虧損。

2.21 優先股

優先股於發生若干未來事件及按持有人選擇時可贖回。該工具可按持有人選擇隨時轉換為本公司普通股或於本公司進行首次公开发售時或附註30詳述大多數持有人同意時自動轉換為普通股。

本集團將優先股指定為按公允價值計入損益的金融負債。彼等初始按公允價值確認。任何直接應佔交易成本於綜合全面收益／(虧損)表中確認為融資成本。

於初始確認後，優先股按公允價值入賬，其公允價值變動於損益內確認。

優先股分類為非流動負債，除非本集團有責任於報告年末後12個月內結清負債。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Preferred shares (Cont'd)

A substantial modification of the terms of an existing financial liability of preferred shares or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognized in profit or loss except to the extent that it arises as a result of transactions with shareholders acting in their capacity as shareholders when it is recognized directly in equity. The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Any costs or fees incurred are recognized as part of the gain or loss on the extinguishment.

2.22 Trade and other payables

Trade payables are obligations to pay for services that have been delivered in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. All the trade payables of the Group are expected in one year or less, therefore, they are presented as current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要 (續)

2.21 優先股 (續)

優先股現有金融負債條款的重或一部分修改應被當作原有金融負債終止確認並確認新金融負債。終止確認產生的任何收益或虧損於損益內確認，惟與當於權益內直接確認時以股東身份行事的股東進行交易時產生除外。倘新條款項下的現金流量的貼現現值（包括已付任何費用扣除使用原實際利率任何已收取及貼現費用）與原有金融負債的剩餘現金流量的貼現現值相差至少10%，則該等條款即存在重大差別。已產生任何成本或費用確認為終止確認收益或虧損的一部分。

2.22 貿易及其他應付款項

貿易應付款項為供應商於日常業務過程中就已提供服務進行付款的責任。倘付款於一年或以下（或業務的日常經營週期（以較長者為準））到期，貿易及其他應付款項分類為流動負債。如未到期，則呈列為非流動負債。本集團的所有貿易應付款項預計為一年或以下，因此，呈列為流動負債。

貿易及其他應付款項初步按公允價值確認，隨後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.23 Current and deferred income tax

The income tax expense for a year comprises current and deferred tax. The income taxes are recognized in the consolidated statement of comprehensive income/(loss), except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial statements date in the countries/regions where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要 (續)

2.23 即期及遞延所得稅

一年所得稅開支包括即期及遞延稅。所得稅於綜合全面收益／(虧損)表內確認，惟其與於其他全面收益或直接於權益內確認的項目相關則除外。在此情況下，稅項亦各自於其他全面收益或直接於權益內確認。

(a) 即期所得稅

即期所得稅支出根據本公司附屬公司及聯營公司營運及產生應課稅收入所在國家／地區於財務報表日期已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

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綜合財務報表附註

For the year ended 31 December 2018

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Current and deferred income tax (Cont'd)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2 重大會計政策概要 (續)

2.23 即期及遞延所得稅 (續)

(b) 遞延所得稅

內在基準差額

遞延所得稅乃採用負債法，就資產及負債稅基與其於綜合財務報表的賬面值間產生的暫時差額作出確認。然而，倘遞延稅項負債由初步確認商譽而產生，則不會確認遞延稅項負債，倘於一項交易（業務合併除外）中初步確認於進行交易時不會影響會計或應課稅利潤或虧損的資產或負債產生遞延所得稅，則不予列賬。遞延所得稅按結算日已頒佈或已實際頒佈的稅率（及法例）釐定，預期於變現相關遞延所得稅資產或清償遞延所得稅負債時適用。

遞延所得稅資產僅於很可能將未來應課稅利潤與可動用的暫時差異抵銷時方予確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Current and deferred income tax (Cont'd)

(b) Deferred income tax (Cont'd)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred income tax liabilities in relation to taxable temporary differences arising from the associate's undistributed profits are not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 重大會計政策概要 (續)

2.23 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外在基準差額

遞延所得稅負債須就於附屬公司、聯營公司及共同安排的投資所產生的應課稅暫時差額作出撥備，除非本集團可控制暫時差額的撥回時間，且此暫時差額不會於可見將來撥回則除外。一般而言，本集團無法控制聯營公司暫時差額的撥回。僅在訂有協議賦予本集團能力於可見將來控制暫時差額撥回時，方不會就聯營公司未分配溢利所產生的應課稅暫時差額確認遞延稅項負債。

僅於暫時差額可能將於未來撥回，且可能會有充足應課稅溢利可供暫時差額作對銷時，方會就於附屬公司、聯營公司的投資所產生的可扣減暫時差額確認遞延所得稅資產。

抵銷

在有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債的相關所得稅是由同一稅務機關向某一應課稅實體或擬按淨額基準結算結餘的不同應課稅實體徵收，則遞延所得稅資產及負債予以抵銷。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.24 Employee benefits

(a) Pension obligations

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, which are mainly sponsored by the related government authorities that are responsible for the pension liabilities to retired employees. Under such plans, the Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred.

(b) Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each year.

(c) Medical benefits

The Group makes monthly contributions for medical benefits to the local authorities in accordance with the relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each year.

2 重大會計政策概要 (續)

2.24 僱員福利

(a) 養老金義務

本集團僱員主要參與各種定額供款養老金計劃。本集團按月向該等養老金計劃作出並累積供款，該等養老金計劃主要由有關政府機關發起，並負責向已退休僱員支付養老金。除上述供款外，根據該等計劃，本集團就退休福利並無任何其他可引致開支的重大法定或推定義務。

(b) 住房福利

本集團僱員有權參與政府發起的各種住房公積金。本集團根據僱員薪酬的若干百分比按月向該等公積金供款。本集團就該等公積金的義務僅限於按年繳納款項。

(c) 醫療福利

本集團根據相關地方僱員法規每月就醫療福利向地方機關作出供款。本集團就僱員醫療福利的義務僅限於按年繳納款項。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.25 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options and restricted share units ("RSUs") is recognized as an expense. The total amount to be expensed is determined by making reference to the fair value of the options and RSUs granted:

- (i) Including any market performance condition (for example, an entity's share price);
- (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period); and
- (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to serve).

Non-market performance and service conditions are included in assumptions about the number of options and RSUs that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the year between service commencement date and grant date.

2 重大會計政策概要 (續)

2.25 以股份為基礎的支付

本集團運作數個以權益結算以股份為基礎的薪酬計劃，據此，實體獲取僱員服務作為本集團股權工具的代價。獲取以交換授出的購股權及受限制股份單位（「受限制股份單位」）的僱員服務的公允價值確認為開支。將予開支的總額參考授出的購股權及受限制股份單位的公允價值而釐定：

- (i) 包括任何市場表現條件（如實體的股價）；
- (ii) 不包括任何服務及非市場表現歸屬條件（如盈利能力、銷售增長目標及該實體僱員在特定時期留任）的影響；及
- (iii) 包括任何非歸屬條件（如就僱員提供服務的規定）的影響。

假設預期將歸屬的購股權及受限制股份單位數目時，非市場表現及服務條件包括在內。總開支於所有特定歸屬條件將予達成的歸屬期內確認。

此外，在若干情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值就確認於服務開始日期至授出日期的年度內的開支作出估計。

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綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.25 Share-based payments (Cont'd)

Where there is modification of terms and conditions which increases the fair value of the equity instruments granted (for example, by changing the vesting period of share options), the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

At the end of each reporting year, the Group revises its estimates of the number of options and RSUs that are expected to vest based on the non-market performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised or the RSUs are vested, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 重大會計政策概要 (續)

2.25 以股份為基礎的支付 (續)

倘修訂條款及條件(如變更購股權的歸屬期)致使已授出股權工具的公允價值增加,本集團會將已授出的公允價值增幅計入就餘下歸屬期內所獲取服務確認金額的計量中。公允價值增幅為經修訂股權工具公允價值與原有股權工具公允價值(均於修訂日期進行估計)的差額。公允價值增幅的開支於修訂日期起至經修訂股權工具歸屬之日止期間確認,惟有關原有工具的任何金額則繼續於原有歸屬期的餘下期間確認。

於各報告年度末,本集團根據非市場表現及服務條件修訂對預期歸屬的購股權及受限制股份單位數目的估計,並於損益確認對原有估計作出修訂的影響(如有),並對權益作出相應調整。

本公司於購股權獲行使或受限制股份單位歸屬時發行新股份。所收取的所得款項經扣除任何直接應佔交易成本後計入股本(面值)及股份溢價。

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綜合財務報表附註

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截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.26 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow 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 recognized as interest expense.

2.27 Revenue recognition

Revenue is recognized when service is provided to the customer. Depending on the terms of the contract and the laws that apply to the contract, service may be provided over time or at a point in time. Service is provided over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2 重大會計政策概要 (續)

2.26 撥備

在本集團現時須因過往事件承擔法律或推定責任，而履行該責任很有可能導致資源流出，且能夠可靠地估計金額的情況下，會確認撥備。本集團不會就日後經營業務虧損確認撥備。

倘出現多項類似責任，會整體考慮責任類別以釐定履行責任導致資源流出的可能性。即使同類責任中任何一項可能導致資源流出的機會不大，仍會確認撥備。

撥備乃採用稅前利率按預期須就履行責任而支付的開支的現值計量，有關利率反映市場當時對貨幣時間價值及該責任的特定風險的評估。因時間流逝而產生的撥備增加會確認為利息開支。

2.27 收益確認

收益在服務被提供給客戶時確認。服務是在一段時間內還是某一時點提供，取決於合約的條款與適用於合約的法律規定。如本集團滿足下列條件，服務是在一段時間內提供：

- 本集團履約過程中，客戶同時收到且消耗由本集團履約所帶來的經濟利益；
- 創建和增強由客戶控制的資產；或
- 本集團的履約過程中所產出的資產具有不可替代用途，且本集團有權就累計至今已完成的履約部分收取款項。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.27 Revenue recognition (Cont'd)

If service transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains the service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

If a contract involves multiple services, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

如服務在一段時間內轉移，本集團按在合約期間已完成履約義務的進度進行收益確認。否則，收益於客戶獲得服務的時點確認。

已完成履約義務的進度的計量基於下列能夠最佳描述本集團完成履約義務表現的其中一種方法：

- 直接計量本集團已向客戶轉移的價值；或
- 按本集團為完成履約義務而發生的支出或投入。

如合約涉及多種服務，交易價格將基於獨立售價分配至各履約義務。如有關數據不可直接觀察獲得，則按預計成本加成估算。

應收款項於本集團有無條件權利收取代價時入賬。倘代價僅隨時間推移即會成為到期應付，則收取代價的權得為無條件。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.27 Revenue recognition (Cont'd)

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) *Credit facilitation and service fee*

The Group engages primarily in operating an online consumer finance marketplace by providing an online platform which matches borrowers with investors. The Group's platform provides investors with various investment products, which the investors can elect to participate in. The Group determined that it is not the legal lender and legal borrower in the loan origination and repayment process. Therefore, the Group does not record loans receivable and payable arising from the loans between investors and borrowers on its marketplace.

The total proceeds are collected on a monthly basis over the loan period. The total proceeds from borrowers generally includes the services fees for facilitating loan origination (covering matching of investors to borrowers and facilitating the execution of loan agreement between investors and borrowers) and for providing ongoing monthly services (mainly covering cash processing services and collection services), and also include contribution to the quality assurance fund, which provides a protection mechanism to investors who subscribe to these loans.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

下文概述本集團主要收益來源的會計政策。

(a) *信貸撮合及服務費*

本集團主要從事經營線上消費金融平台，提供匹配借款人與投資者的線上平台。本集團的平台為投資者提供各類投資產品，投資者可選擇參與。本集團認為，在貸款發放及償還過程中，其並非法定貸款人及法定借款人。因此，本集團不從投資者與借款人在其平台上的貸款錄得貸款應收款項及應付款項。

總款項在貸款期限內按月收取。從借款人收到的總款項一般包括撮合貸款發放（涵蓋匹配投資者與借款人及撮合投資者與借款人簽署貸款協議）及提供持續每月服務（主要涵蓋現金處理服務及收款服務）的服務費，亦包括對質量保證金的出資，質量保證金向認購該等貸款的投資者提供保障機制。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.27 Revenue recognition (Cont'd)

(a) Credit facilitation and service fee (Cont'd)

The total proceeds from borrowers are first allocated to the quality assurance fund payable (Note 2.20) at fair value which meets the definition of a financial guarantee under IAS 39, and the remaining amount are then allocated to credit facilitation service and ongoing monthly service. The Group generally collects the entire amount relating to credit facilitation and ongoing monthly services as one combined fee.

The Group considers the credit facilitation services and ongoing monthly services as distinct performance obligations. Although the Group does not sell these services separately, the Group determined that both deliverables have standalone value. However, the Group does not provide these services separately, and the third-party evidence of selling price does not exist either, as public information is not available regarding the amount of fees competitors charge for these services. As a result, the Group uses the expected-cost-plus-a-margin approach to determine its best estimate standalone selling prices of the different performance obligations as the basis for allocation. The total service fee allocated to credit facilitation is recognized as revenue upon execution of loan agreements between investors and borrowers. The service fees allocated to post-origination services are deferred and recognized over the period of the loan on a straight-line method, which approximates the pattern of when the underlying services are performed. When the cash received is different from the revenue recognized, a "Contract Asset" or "Contract Liability" shall be recognized in the consolidated statement of financial position.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

(a) 信貸撮合及服務費 (續)

來自借款人的總款項首先按公允價值分配至應支付的質量保證金(符合國際會計準則第39號項下財務擔保的定義)(附註2.20), 餘額則基於相對公允價值分配至信貸撮合服務及持續每月服務。本集團一般以合併費用形式收取與信貸撮合及持續每月服務有關的全部金額。

本集團將信貸撮合服務及持續每月服務視為不同的履約義務。本集團不單獨出售該等服務, 但本集團認為兩種可交付安排均有獨立價值。然而, 本集團不獨立提供該等服務, 亦不存在第三方售價證明, 因為並無有關我們的競爭對手就此類服務收費金額的公開資料。因此, 本集團使用預期成本加利潤率法釐定其不同履約責任的最佳估計單獨售價, 作為分配的基準。分配至信貸撮合的服務費總額於投資者與借款人之間簽立貸款協議時確認為收益。當收到的現金不等於分配至信貸撮合服務的費用, 則應在綜合財務狀況表內確認一項「合約資產」或「合約負債」; 分配至放款後服務的服務費遞延處理, 以直線法在貸款期限內確認, 這與履行相關服務時的模式相若。當所收現金有別於已確認收益, 則「合約資產」或「合約負債」須於綜合財務狀況表確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.27 Revenue recognition (Cont'd)

(b) Incentives

To expand its market presence, attract new investors and new borrowers and increase activity level on the Group's platform, the Group provides incentives to potential investors and borrowers at its sole discretion.

When a loan is successfully matched during the relevant incentive program period, the investor receives a cash incentive as additional interest on a monthly basis over the term of the loan. The borrower may receive a cash incentive, as a reduction of credit facilitation service fee. These cash incentives are accounted for as reduction of revenue.

(c) Loan referral service fee

The Group introduces loan products of external online lending platforms to borrowers on the Group's own platform who can click through to third-party platforms. The Group generally is not the primary obligor, does not have the ability to establish the price, is not exposed to the credit risk when directing borrowers to third-party platforms. Upon successful set-up of loans, the Group will charge the third-party platforms a negotiated amount or a fixed rate referral fee based on the loans amount. Loan referral service income is recognized on a net basis upon successfully set-up of the loans.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

(b) 獎勵

為擴大市場份額、吸引新投資者及新借款人及提升本集團平台的活躍度，本集團可全權酌情向潛在投資者及借款人提供獎勵。

當貸款在有關獎勵計劃期間成功匹配，投資者將收到現金獎勵，作為貸款期限內每月的額外利息。借款人可能收取現金獎勵，作為減少信貸撮合服務費減少的部分。該等現金獎勵入賬列為收益減少。

(c) 信貸介紹服務費

本集團向其自有平台上可點擊進入第三方平台的借款人推介外部線上借貸平台的貸款產品。將借款人轉介予第三方平台時，本集團一般並非主要義務人，不能確定價格，亦不承擔信用風險。成功訂立貸款後，本集團將基於貸款金額向第三方平台收取協定金額或固定費率的介紹費。信貸介紹服務收入於成功設立貸款時按淨額基準確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.27 Revenue recognition (Cont'd)

(d) Credit card technology service fee

The Group cooperates with banks for their online credit card applications on a nationwide basis. Users of 51 Credit Card Manager App can click on the icon of a bank displayed in the Group's platform and the webpage of the bank will pop up in the App to complete the credit card application process. The Group charges banks the referral fee based on the successful applications which are defined by the banks. Credit card technology service fee is recognized on a net basis upon successful applications.

(e) Interest income of loans to customers

The Group has originated and held loans through consolidated trust schemes and a micro loan subsidiary. Interest on the loans to customers (Note 25) is accrued based on the contractual interest rates of the loan as earned using the effective interest method. When a loan and receivables is impaired, which interest revenue is calculated by applying the effective interest rate to net of the ECL allowance.

(f) Payment service fee

The Group provides payment services for the third parties to support the platform users. The income originates from the payment channel service and the payment advance service. When the service provided, the service fee will be automatically deducted from the funds.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

(d) 信用卡科技服務費

本集團在全國範圍內與銀行合作進行銀行的網上信用卡申請。51信用卡管家應用用戶可點擊本集團平台上顯示的銀行圖標，銀行的網頁將於應用中彈出以完成信用卡申請過程。本集團根據銀行界定的成功申請人向銀行收取介紹費。信用卡科技服務費於成功申請後按淨額基準確認。

(e) 客戶貸款的利息收入

本集團通過綜合信託計劃及小額貸款附屬公司發放並持有貸款。客戶貸款的利息(附註25)採用實際利率法於賺取時按貸款合約利率累算。當貸款及應收款項出現減值，而利息收入乃按實際利率計算，以扣除預期信用損失撥備。

(f) 支付服務費

本集團為第三方提供支付服務以支持平台用戶。收入來自支付渠道服務及支付墊資服務。提供服務時，服務費將自動從資金中扣除。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.27 Revenue recognition (Cont'd)

(g) Insurance commission income

The Group provides the intermediary service for the conclusion of an insurance contract between the applicant and insurer and charges the agreed commissions for the intermediary services.

(h) Overdue charges

The Group makes efforts to collect the outstanding overdue amounts from borrowers. Overdue charges incurred on a case-by-case basis. The collectability of these amounts are often of high uncertainty. Overdue charges are only highly probable to be collected when the actual overdue amounts are repaid and are recognized as revenue when the cash of the overdue payments is actually collected.

2.28 Interest income of cash at banks and bank deposits

Interest income is recognized on a time proportion basis, taking into account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group.

2.29 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive income/(loss) over the period necessary to match them with the costs that they are intended to compensate.

2 重大會計政策概要 (續)

2.27 收益確認 (續)

(g) 保險佣金收入

本集團為投保人與保險公司之間訂立保險合約提供中介服務，並就中介服務收取協定的佣金。

(h) 逾期費用

本集團會努力向借款人收取未清償欠款。逾期費用按個案基準產生。該等款項的可收回性通常具有很高的不確定性。逾期費用只有在實際欠款獲償還時才有可能收取，並於實際收取欠款現金時確認為收益。

2.28 銀行現金及銀行存款的利息收入

利息收入於有關收入將計入本集團時在計及剩餘未屆滿期限內的未結清本金及實際利率的情況下按時間比例基準確認。

2.29 政府補助

政府補助在可合理保證將收到補助及本集團將符合所有附帶條件時按公允價值確認。

與成本有關的政府補助遞延處理，在將補助與其擬補償成本相匹配所需的期間內於綜合全面收益／(虧損)表內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

2.30 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income/(loss) on a straight-line basis over the period of the lease.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 financial year are addressed below.

3.1 Measurement of the ECL allowance

The measurement of the ECL allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

(i) *Determining criteria for SICR;*

- The financial instrument considered to have experienced a SICR if the borrower is past due on its contractual payments.

2 重大會計政策概要 (續)

2.30 租賃

擁有權的一大部分風險及回報仍歸租賃人的租賃分類為經營租賃。根據經營租賃作出的付款(扣除從租賃人收到的任何獎勵)於租期內按直線基準在綜合全面收益/(虧損)表扣除。

3 關鍵會計估計及判斷

本集團作出有關未來的估計及假設。顧名思義，會計估計極少與相關實際結果相等。下文載列極有可能導致資產及負債的賬面值在下個財政年度作出重大調整的估計及假設。

3.1 計量預期信用損失撥備

計量按攤銷成本計量的金融資產的金融資產的預期信用損失撥備，要求使用複雜模型以及對未來經濟狀況及信用行為(如客戶違約及引致虧損的可能性)的重大假設。

在應用計量預期信用損失的會計規定時，須作出多項重大判斷，如：

(i) *確定信用風險大幅增加的準則；*

- 若借款人就其合約付款逾期，金融工具被視為出現信用風險大幅增加。

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

3.1 Measurement of the expected credit loss allowance (Cont'd)

(ii) Choosing appropriate models and assumptions for the measurement of ECL; and

- ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), or $ECL = PD * LGD * EAD * DF$.
- The calculation of PD and LGD started with the Group's historical information. They are further adjusted for the impacts from micro-economy conditions as well as observed industry experience. PD and LGD are calculated by type of products, internal risk grades and loan durations as appropriate.
- EAD is calculated based on the amounts the Group expected to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- The discounted rate (DF) used in the ECL calculation is the original effective interest rate or an approximation thereof.

3 關鍵會計估計及判斷 (續)

3.1 計量預期信用損失撥備 (續)

(ii) 選擇計量預期信用損失的合適模型及假設；及

- 視乎自首次確認起是否發生信用風險大幅增加或資產是否被視為信用減值，預期信用損失按12個月(12M)或終生基準計量。預期信用損失為違約可能性(「PD」)、違約風險(「EAD」)及違約損失率(「LGD」)的折算結果或 $ECL = PD * LGD * EAD * 貼現率(「DF」)$ 。
- 計算PD及LGD從本集團的歷史資料著手，並就微觀經濟狀況及依據行業經驗觀察的影響作出進一步調整。PD及LGD按產品類型、內部風險級別及貸款期限(如適用)計算。
- EAD按本集團於違約時預期未來十二個月(12M EAD)或餘下年期(年期EAD)欠付的金額。
- 計算預期信用損失時所用的DF為原實際利率或其約數。

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For the year ended 31 December 2018

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

3.1 Measurement of the expected credit loss allowance (Cont'd)

(iii) Establishing the number and relative weighting of forward-looking scenarios for each type of product/market and the associated ECL.

- The Group used the Morten Model to estimate the relationship between ECL and forward-looking scenarios.
- Based on economic statistics, three different prospective scenarios, namely the “base”, the “upside” and the “downside” are used with 80%, 10% and 10% weighting respectively.
- Other forward-looking considerations, such as the impact of any regulatory, legislative or political changes, have also been considered.
- The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL of each portfolio. The most significant assumptions used are CPI and PPI, given their impact they have on the loans facilitated or provided by the Group.

3.2 Revenue related to credit facilitation service and ongoing monthly service

The Group considers the credit facilitation services and ongoing monthly services as distinct performance obligations. However, the Group does not provide these services separately, and the third-party evidence of selling price does not exist either, as public information is not available regarding the amount of fees competitors charge for these services. As a result, the Group uses the expected-cost-plus-a-margin approach to determine its best estimate of selling prices of the different deliverables as the basis for allocation. When estimating the selling prices, the Group considers the cost related to such services, profit margin, customer demand, effect of competition, and other market factors, if applicable.

3 關鍵會計估計及判斷 (續)

3.1 計量預期信用損失撥備 (續)

(iii) 就各類產品／市場及相關預期信用損失設立前瞻性場景的數目及相關加權數。

- 本集團使用莫頓模式(Morten Model)估計預期信用損失與前瞻性場景的關係。
- 根據經濟統計數據，三種不同前景的場景（即「基本」、「上揚」及「下跌」）分別採納80%、10%及10%的權重。
- 亦已進行其他前瞻性考量，如任何監管、法律或政策變動的影響。
- 本集團已執行歷史分析並識別出影響各種組合的信用風險及預期信用損失的主要經濟變量。所使用最重大的假設為消費者物價指數及生產者物價指數，此乃鑒於其對本集團所組合或提供貸款的影響。

3.2 與信貸撮合服務及持續每月服務有關的收益

本集團將信貸撮合服務及持續每月服務視為多種可交付安排。然而，本集團不獨立提供該等服務，亦不存在第三方售價證明，因為並無有關我們的競爭對手就此類服務收費金額的公開資料。因此，本集團採用預計成本加成法釐定其對不同可交付安排的最佳售價估計，作為分配基準。估計售價時，本集團考慮與有關服務有關的成本、利潤率、客戶需求、競爭的影響及其他市場因素（如適用）。

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

3.3 Quality assurance fund payable and receivable

The quality assurance fund is a protection mechanism offered to investors who subscribe to the loans facilitated on the Group's platform. The quality assurance fund contribution rates are determined at loan inception on a loan by loan basis and does not subsequently change over the life of the loan. The determination of the contribution rates is also based on the estimated loss rate of the loans, taking into account the underlying risk profile and historical loss record and other market factors when necessary.

3.4 Recognition of share-based compensation expenses

The fair values of share options granted are measured on the respective grant dates based on the fair value of the underlying shares. In addition, the Group is required to estimate the expected percentage of grantees that will remain in employment with the Group or, where applicable, if the performance conditions for vesting will be met at the end of the vesting period. The Group only recognizes an expense for those share options and RSUs expected to vest over the vesting period during which the grantees become unconditionally entitled to these share-based awards. Changes in these estimates and assumptions could have a material effect on the determination of the fair value of the share options and RSUs and the amount of such share-based awards expected to become vested, which may in turn significantly impact the determination of the share-based compensation expenses.

The fair value of share options and RSUs at the time of grant is to be expensed over the vesting period of these share-based awards based on an accelerated graded attribution approach. Under the accelerated graded attribution approach, each vesting installment of a graded vesting award is treated as a separate share-based award, which means that each vesting installment will be separately measured and attributed to expense, resulting in accelerated recognition of share-based compensation expense.

3 關鍵會計估計及判斷 (續)

3.3 應付及應收質量保證金

質量保證金是向認購於本集團上撮合的貸款的投資者提供的保障機制。質量保證金出資率於貸款訂立時按個別基準釐定，之後在貸款期限內維持不變。出資率的釐定亦基於貸款的估計損失率進行，當中計及相關風險概況及歷史虧損記錄及其他市場因素（如必要）。

3.4 確認以股份為基礎的薪酬開支

授出購股權的公允價值於各授出日期基於相關股份的公允價值計量。此外，本集團須估計將繼續受僱於本集團的承授人的預計百分比或（如適用）歸屬的表現條件在歸屬期結束時是否達成。本集團僅就預計將在承授人可無條件享有有關股份獎勵的歸屬期內歸屬的購股權及受限制股份單位確認一項開支。該等估計及假設的變動可能會對購股權及受限制股份單位的公允價值的釐定及預計將歸屬的股份獎勵的金額造成重大影響，進而可能對以股份為基礎的薪酬開支的釐定造成重大影響。

購股權及受限制股份單位於授出時的公允價值將按加速級差歸屬法在該等股份支付獎勵的歸屬期內列支。根據加速級差歸屬法，各級差歸屬獎勵的分期歸屬部分將被視為獨立的股份支付獎勵，即各分期歸屬部分將獨立計量及列支，導致加速確認以股份為基礎的薪酬開支。

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

3.5 Income taxes

The Group is subject to income tax regulations under the PRC, HK, Cayman Islands and BVI. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

In addition, a deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profits of the individual entities together with tax planning strategies.

3.6 Fair value of financial instruments

If the market for a financial instrument is not active, the Group estimates fair value by using a valuation technique. Valuation techniques include using recent prices in arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analyses and option pricing models. To the extent practicable, valuation technique makes the maximum use of market inputs. However, where market inputs are not available, management needs to make estimates on such unobservable market inputs.

3 關鍵會計估計及判斷 (續)

3.5 所得稅

本集團須遵守中國、香港、開曼群島及英屬維爾京群島的所得稅法規。釐定全球所得稅撥備時須作出重大判斷。許多交易及計算難以明確釐定最終稅務。本集團根據會否需要繳納額外稅項的估計，確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初入賬金額有所不同，該等差額將影響稅務釐定年內的即期及遞延所得稅資產及負債。

此外，確認遞延所得稅資產時僅以可能有未來應課稅溢利可用於抵銷有關資產為限。管理層在釐定可予以確認的遞延稅項資產金額時，須根據個別實體未來應課稅溢利可能出現的時間及水平以及稅項規劃策略作出重大判斷。

3.6 金融工具的公允價值

倘某項金融工具的市場並不活躍，本集團會採用估值技巧估計公允價值。估值技巧包括採用最近知情自願交易方進行公平市場交易的價格（如有）、參考另一大致相同工具的現行公允價值或折現現金流量分析及期權定價模型。如實際可行，估值技巧會最大限度地使用市場輸入值。然而，如無法獲取市場值輸入值，則管理層需要就不可觀察市場輸入值作出估計。

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4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

4.1.1 Market Risk

(a) Foreign exchange risk

The transactions of the Company are denominated and settled in its functional currency, US\$. The Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$ and HK\$. Therefore, foreign exchange risk primarily arose from cash and cash equivalents in the Group's PRC subsidiaries when receiving or to receive foreign currencies from overseas business partners.

The Group enters into foreign exchange contracts to cover specific foreign currency payments and receipts within the exposure generated.

4 金融風險管理

4.1 金融風險因素

本集團的活動令本集團承受多種金融風險，包括市場風險、信用風險及流動資金風險。本集團的整體風險管理計劃注重金融市場的不可預測性及尋求盡可能減小對本集團財務表現的潛在不利影響。風險管理由本集團的高級管理層承擔。

4.1.1 市場風險

(a) 外匯風險

本公司的交易以其功能貨幣美元計值及結算。本集團的附屬公司主要在中國經營，須承受持有各類貨幣帶來的外匯風險，主要與美元及港元有關。因此，外匯風險主要產生自本集團旗下向海外業務夥伴收取外幣的中國附屬公司的現金及現金等價物。

本集團訂立外匯合約，涵蓋所涉及的特定外匯收支。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.1 Market Risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

For the Group's PRC subsidiaries whose functional currency is RMB, if US\$ had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the year ended 31 December 2018 would have been approximately RMB584,000 higher/lower; the loss before income tax for the year ended 31 December 2017 would have been approximately RMB3,357,000 lower/higher, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in US\$.

For the Group's PRC subsidiaries whose functional currency is RMB, if HK\$ had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the year ended 31 December 2018 would have been approximately RMB5,708,000 higher/lower; the loss before income tax for the year ended 31 December 2017 would have been approximately RMB7,523,000 higher/lower, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in HK\$.

(b) Interest rate risk

The Group is exposed to interest rate risk primarily in relation to term deposits, loans to customers, net, long-term borrowings and short-term borrowings. The Group generally assumes borrowings to fund capital expenditures and working capital requirements. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.1 市場風險 (續)

(a) 外匯風險 (續)

就本集團旗下功能貨幣為人民幣的中國附屬公司而言，如美元兌人民幣升值／貶值5%，而所有其他變量維持不變，因換算以美元計值貨幣資產淨值產生的外匯收益／（虧損）淨額，截至2018年12月31日止年度的除所得稅前溢利將增加／減少約人民幣584,000元，截至2017年12月31日止年度的除稅前虧損將減少／增加約人民幣3,357,000元。

就本集團旗下功能貨幣為人民幣的中國附屬公司而言，如港元兌人民幣升值／貶值5%，而所有其他變量維持不變，因換算以港元計值貨幣資產淨值產生的外匯收益／（虧損）淨額，截至2018年12月31日年度的除所得稅前溢利將增加／減少約人民幣5,708,000元，截至2017年12月31日止年度的除稅前虧損將增加／減少約人民幣7,523,000元。

(b) 利率風險

本集團承受利率風險，主要與定期存款、客戶貸款淨額、長期借款及短期借款有關。本集團借款一般用於滿足資本支出及營運資金需求。本集團管理該風險的方式為維持適當的定息及浮息借款組合。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.1 Market Risk (Cont'd)

(b) Interest rate risk (Cont'd)

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this Note.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial assets and financial liabilities at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year.

A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit would approximately decrease by RMB2,229,000 for the year ended 31 December 2018 (2017: RMB3,654,000) respectively. This is mainly attributable to the Group's exposure to interest rates on loans to customers, net.

4.1.2 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from credit facilitation service.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.1 市場風險 (續)

(b) 利率風險 (續)

本集團承受的金融資產及金融負債利率風險在本附註流動資金風險管理部分詳述。

下列敏感度分析乃基於金融資產及金融負債於報告年末的利率風險釐定。就浮息負債而言，該分析乃假設於報告年末未清償負債金額在整個年度未清償而編製。

50個基點的升跌是管理層對利率合理可能變動的評估。如利率上升50個基點而所有其他變量維持不變，本集團截至2018年12月31日止年度的溢利將減少約人民幣2,229,000元（2017年：人民幣3,654,000元）。這主要是由於本集團承受客戶貸款淨額的利率風險。

4.1.2 信用風險

信用風險是一旦本集團有任何客戶、顧客或市場交易對手未能履行其對本集團的合約責任而蒙受財務損失的風險。信用風險主要來自信貸撮合服務。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(a) Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using PD, EAD and LGD. This is similar to the approach used for the purposes of measuring ECL under IFRS 9. Refer to Note 4.1.2 (b) for more details.

(b) ECL measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a SICR since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to Note 4.1.2 (b)(i) for a description of how the Group determines when a SICR has occurred.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(a) 信用風險計量

基於風險管理目的的信用風險敞口估計比較複雜且需要使用模型，因為該敞口隨着市場條件、預期現金流量及時間推移的變動而發生變化。對資產組合的信用風險評估需要更多估計，如違約發生的可能性、相關損失率及對手方之間違約的相關性。本集團使用PD、EAD及LGD計量信用風險。這與國際財務報告準則第9號下計量預期信用損失的方法相似。進一步詳情參見附註4.1.2(b)。

(b) 預期信用損失計量

國際財務報告準則第9號規定了一個自初始確認之後信用質量發生「三階段」變化的減值模型，概述如下：

- 初始確認時未發生信用減值的金融工具進入「第1階段」，且本集團對其信用風險進行持續監控。
- 如果識別出自初始確認後信用風險發生顯著增加，則本集團將其轉移至「第2階段」，但並未將其視為已發生信用減值的工具。信用風險顯著增加的判斷標準，參見附註4.1.2(b)(i)。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to Note 4.1.2 (b)(ii) for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. Please refer to Note 4.1.2 (b)(iii) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 4.1.2 (b)(iv) includes an explanation of how the Group has incorporated this in its ECL models.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

- 如果金融工具發生信用減值，則將被轉移至「第3階段」。本集團對違約及發生信用減值資產的定義，參見附註4.1.2 (b) (ii)。
- 第1階段金融工具的虧損撥備為未來12個月的預期信用損失，該金額對應為整個存續期預期信用損失中由未來12個月內可能發生的違約事件導致的部分。第2階段或第3階段金融工具的預期信用損失計量整個存續期預期信用損失。預期信用損失計量中所使用的參數、假設及估計技術，參見附註4.1.2 (b) (iii)。
- 根據國際財務報告準則第9號計量預期信用損失時應充分考慮前瞻性信息。關於本集團如何將前瞻性信息納入預期信用損失模型的說明，參見附註4.1.2 (b)(iv)。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

The following diagram summarises the impairment requirements under IFRS 9:

Change in credit quality since initial recognition 自初始確認起的信用品質的變化

| Stage 1 第1階段 | Stage 2 第2階段 | Stage 3 第3階段 |
|---------------------------------|---|--------------------------------------|
| (Initial recognition) (初始確認) | (SICR since initial recognition) (自初始確認以來信用風險 發生顯著增加) | (Credit-impaired assets) (信用減值資產) |
| 12-month ECL 12個月預期信用損失 | Lifetime ECL 整個存續期的預期信用損失 | Lifetime ECL 整個存續期的預期信用損失 |

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

(i) SICR

The financial instrument considered to have experienced a SICR if the borrower is more than 1 day (inclusive) past due on its contractual payments. No qualitative criteria is considered by the Group since the Group monitors the risk of borrowers purely based overdue period.

The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2018.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

下圖概述國際財務報告準則第9號項下的減值規定：

在按照該準則計量預期信用損失時，本集團採用的關鍵判斷及假設如下：

(i) 信用風險顯著增加

如果借款人在合同付款日後逾期超過1天（包括1天）仍未付款，則視為該金融工具已經發生信用風險顯著增加。由於本集團純粹基於逾期期間監察借款人風險，故本集團並無考慮定性標準。

截至2018年12月31日止年度，本集團並未將任何金融工具視為具有較低信用風險。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(ii) Definition of default and credit-impaired assets

The Group defines a financial instrument as is in default, which is fully aligned with the definition of credit-impaired if the borrower is more than 1 month (inclusive) past due on its contractual payments. Besides, fraudulent list is also considered by the Group for definition for default and credit-impaired assets.

The criteria above have been applied to loans to customers and financial guarantees held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(ii) 違約及已發生信用減值資產的定義

如果借款人在合同付款日後逾期超過1個月(包括1個月)仍未付款,則本集團將該金融資產界定為已發生違約,其標準與已發生信用減值的定義一致。此外,本集團亦會就違約及已發生信用減值資產的定義考慮欺詐訂單。

上述標準適用於本集團的客戶貸款及金融擔保,且與內部信用風險管理所採用的違約定義一致。違約定義已被一致地應用於本集團的預期信用損失計算過程中對PD、EAD及LGD的模型建立。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iii) 計量預期信用損失—對參數、假設及估計技術的說明

根據信用風險是否自初步確認起顯著增加以及資產是否被視為已發生信用減值，預期信用損失按12個月或存續期基準計量。預期信用損失是PD、EAD及LGD三者折現後的結果。相關定義如下：

- 違約概率是指借款人在未來12個月或在整個剩餘存續期，無法履行其償付義務的可能性（根據上文「違約及已發生信用減值資產的定義」）。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Cont'd)

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12M or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12M and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iii) 計量預期信用損失—對參數、假設及估計技術的說明 (續)

- 違約損失率是指本集團對違約敞口發生損失程度作出的預期。根據交易對手的類型、追索的方式和優先順序，以及擔保品或其他信用支持的可獲得性不同，違約損失率也有所不同。違約損失率為違約發生時風險敞口損失的百分比，以12個月或整個存續期為基準進行計算。12個月違約損失率是指當未來12個月內發生違約時的損失率，存續期違約損失率是整個存續期內發生違約時的損失率。
- 違約風險敞口是指，在未來12個月或在整個剩餘存續期中，在違約發生時，本集團應獲償付的金額。例如，對於迴圈信貸協議，在違約發生時本集團已放款的貸款金額與合同限額內的預期提取金額之和視為違約風險敞口。

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Cont'd)

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by looking at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The PD profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iii) 計量預期信用損失—對參數、假設及估計技術的說明 (續)

本集團通過預計未來各月份中單個敞口或資產組合的違約概率、違約損失率和違約風險敞口，來確定預期信用損失。本集團將這三者相乘並對其存續性進行調整（如並未提前還款或發生違約）。此舉可以有效地計算未來各月地預期信用損失。再將各月地計算結果折現至報告日並加總。預期信用損失計算中使用的貼現率為初始實際利率或概約初始實際利率。

整個存續期違約概率是基於貸款從初始確認到整個存續期結束的違約變化情況推演而成。組合的基礎是可觀察的歷史信息，並假定同一組合的資產及信用等級的情況相同。上述分析以歷史分析作為支持。

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For the year ended 31 December 2018

截至2018年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Cont'd)

For amortising products, this is based on the contractual repayments owed by the borrower over a 12M or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12M and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iii) 計量預期信用損失—對參數、假設及估計技術的說明 (續)

對於整分期還款，本集團根據合同約定的還款計劃確定12個月期間或整個存續期違約敞口，並對借款人作出的預期超額還款和提前還款／再融資進行調整。

本集團根據對影響違約後回收的因素來確定12個月及整個存續期的違約損失率。不同產品類型的違約損失率有所不同。

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Cont'd)

Forward-looking economic information is also included in determining the 12M and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to Note 4.1.2 (b) (iv) for an explanation of forward-looking information and its inclusion in ECL calculations.

There have been no significant changes in estimation techniques or significant assumptions made during the year ended 31 December 2018.

(iv) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iii) 計量預期信用損失—對參數、假設及估計技術的說明 (續)

在確定12個月及整個存續期的違約概率、違約敞口及違約損失率時應考慮前瞻性經濟信息。此假設因產品類型的不同而有所不同。關於前瞻性信息以及如何將其納入預期信用損失計算的說明，參見附註4.1.2 (b)(iv)。

於截至2018年12月31日止年度，估計技術或關鍵假設未發生重大變化。

(iv) 預期信用損失模型中包含的前瞻性信息

信用風險顯著增加的評估及預期信用損失的計算均涉及前瞻性信息。本集團通過進行歷史分析，識別出影響各資產組合的信用風險及預期信用損失的關鍵技術指標。

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For the year ended 31 December 2018

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iv) Forward-looking information incorporated in the ECL models (Cont'd)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The Group applies expert judgment in the forecast of these economic variables to obtain the best estimate view of the economy over the next one year. After one year, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to be close to a long run average growth rate (e.g. Producer Price Index, Consumer Price Index) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing Eucitidean Distance analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iv) 預期信用損失模型中包含的前瞻性信息 (續)

該等經濟變量及其對違約概率、違約風險敞口及違約損失率之相關影響，視乎不同金融工具而有所不同。本集團應用專家判斷對該等經濟變量進行預測，以獲得未來一年經濟狀況之最佳估計。於一年後，中集財務採用均值回歸法估測各金融工具整個剩餘存續期結束時之經濟變量，表示經濟變量在兩年至五年期間內，趨向於接近長期平均增長率（如生產者物價指數及消費者物價指數）。歐氏距離分析被用於釐定該等經濟變量對違約概率、違約風險敞口及違約損失率之影響，以了解該等變量過往對違約概率以及違約風險敞口及違約損失率組成部分之影響變化。

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For the year ended 31 December 2018

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iv) Forward-looking information incorporated in the ECL models (Cont'd)

In addition to the base economic scenario, the Group also obtained other possible scenarios along with scenario weightings from external experts. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2018 and 31 December 2018, the Group concluded that three scenarios appropriately captured non-linearities among all portfolios. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see Note 4.1.2). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iv) 預期信用損失模型中包括的前瞻性信息 (續)

除基本經濟情景外，本集團亦自外部專家獲得其他可能的情景及情景權重。其他所用情景之數量乃根據對每個主要產品類型之分析而設定，以確保覆蓋非線性特徵。情景之數量及其特徵乃於各報告日期按年重新評估。於2018年1月1日及2018年12月31日，本集團認為三個情景可適當地覆蓋非線性特徵。本集團考慮各所選情景所代表之可能結果範圍，結合統計分析及專家信貸判斷釐定情景權重。評估信用風險顯著增加時，使用各基礎及其他情景下之存續期違約概率，乘以相關情景權重以及定性及上限指標（見附註4.1.2）。此釐定整個金融工具乃處於第1階段、第2階段或第3階段，亦藉此釐定應記錄12個月或存續期預期信用損失。進行評估後，本集團以概率加權12個月預期信用損失（第1階段）或概率加權存續期預期信用損失（第2階段及第3階段）計量預期信用損失。該等概率加權預期信用損失乃按各情景下運行相關預期信用損失模型乘以相應情景權重釐定，而非對輸入數據進行加權計算。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iv) Forward-looking information incorporated in the ECL models (Cont'd)

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Economic variable assumptions

The most significant year-end assumptions used for the ECL estimate as at 31 December 2018 and 1 January 2018 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iv) 預期信用損失模型中包括的前瞻性信息 (續)

與其他經濟預測類似，對預計值和發生可能性的估計具有的高度的固有不確定性，因此實際結果可能同預測存在重大差異。本集團認為這些預測體現了集團對可能結果的最佳估計，並分析了本集團不同組合的非線性及不對稱特徵，以確定所選擇的情景能夠適當地代表可能發生的情景。

可變經濟假設

於2018年12月31日及2018年1月1日，用於估計年末信用損失的重要假設列示如下。「基準」、「上揚」及「下跌」這三種情景適用於所有組合。

| | | 2019 |
|---------------------------------|----------------|--------|
| Producer Price Index 生產者物價指數 | Base 基準 | 102.40 |
| | Upside 上揚 | 102.74 |
| | Downside 下跌 | 102.10 |
| Consumer Price Index 消費者物價指數 | Base 基準 | 103.11 |
| | Upside 上揚 | 103.35 |
| | Downside 下跌 | 102.86 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(b) ECL measurement (Cont'd)

(iv) Forward-looking information incorporated in the ECL models (Cont'd)

Economic variable assumptions (Cont'd)

The weightings assigned to each economic scenario at 31 December 2018 and 1 January 2018 were as follows:

| | | Base 基準 | Upside 上揚 | Downside 下跌 |
|----------------|------|------------|--------------|----------------|
| All portfolios | 所有組合 | 80% | 10% | 10% |

Sensitivity analysis

The most significant assumptions affecting the ECL allowance are as follows:

| | | Consumer Price Index 消費者物價指數 | | |
|---------------------------------|------------------|---------------------------------|------------------|------------------|
| | | -1% | No change 無變動 | +1% |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Producer Price Index 生產者物價指數 | -1% | 156,235 | 4,651 | (134,340) |
| | No change 無變動 | 151,584 | - | (138,991) |
| | +1% | 147,011 | (4,573) | (143,563) |

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(b) 預期信用損失計量 (續)

(iv) 預期信用損失模型中包括的前瞻性信息 (續)

可變經濟假設 (續)

於2018年12月31日及2018年1月1日，分配至各項經濟情景的權重如下：

敏感度分析

影響預期信用損失撥備的最重要假設如下：

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(c) Credit risk exposure

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure subject to impairment. The amount of financial assets and non-financial assets below also represents the Group's maximum exposure to credit risk.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(c) 信用風險敞口

最大信用風險敞口

下表對可能出現減值的金融工具的信用風險敞口進行了分析。下列金融資產及非金融資產的金額亦即本集團面臨的最大信用風險敞口。

| Measurement category | 計量類別 | As at 31 December 2018 | | | As at 31 December 2017 |
|---|----------------------------|------------------------|----------------|-----------------|------------------------|
| | | Gross carrying amount | Loss allowance | Carrying amount | Carrying amount |
| | | 賬面總值 | 虧損撥備 | 賬面值 | 賬面值 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Non-financial asset | 非金融資產 | | | | |
| Contract assets | 合約資產 | 1,370,529 | (215,345) | 1,155,184 | 22,692 |
| Financial assets at amortized cost (IFRS 9) | 按攤銷成本計量的金融資產 (國際財務報告準則第9號) | | | | |
| Cash and cash equivalents | 現金及現金等價物 | 1,206,172 | – | 1,206,172 | 1,258,446 |
| Trade receivables | 貿易應收款項 | 149,913 | (346) | 149,567 | 59,957 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 330,454 | – | 330,454 | 355,799 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(c) Credit risk exposure

Maximum exposure to credit risk – Financial instruments subject to impairment (Cont'd)

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(c) 信用風險敞口 (續)

最大信用風險敞口 – 納入減值評估範圍的金融工具 (續)

| Measurement category | 計量類別 | As at 31 December 2018 | | | As at 31 December 2017 |
|---|---------------------|-----------------------------|-------------------|--------------------|------------------------------|
| | | Gross carrying amount | Loss allowance | Carrying amount | Carrying amount |
| | | 賬面總值 RMB'000 | 虧損撥備 RMB'000 | 賬面值 RMB'000 | 賬面值 RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Loans to customers | 客戶貸款 | 381,072 | (195,776) | 185,296 | 948,987 |
| Stage 1 | 第1階段 | 177,340 | (1,256) | 176,084 | – |
| Stage 2 | 第2階段 | 2,023 | (807) | 1,216 | – |
| Stage 3 | 第3階段 | 201,709 | (193,713) | 7,996 | – |
| Financial guarantee contracts – Quality assurance fund receivable | 財務擔保合約 – 應收質量保證金 | 1,291,203 | (479,125) | 812,078 | 1,407,981 |
| Stage 1 | 第1階段 | 769,171 | (40,287) | 728,884 | – |
| Stage 2 | 第2階段 | 84,407 | (36,927) | 47,480 | – |
| Stage 3 | 第3階段 | 437,625 | (401,911) | 35,714 | – |
| Term deposits | 定期存款 | 6,000 | – | 6,000 | 5,000 |
| | | 4,735,343 | 890,592 | 3,844,751 | 4,058,862 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 Credit risk (Cont'd)

(c) Credit risk exposure

Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial guarantee contracts (i.e. quality assurance fund payable):

| | | As at 31 December | |
|----------------------------------|-----------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Financial guarantee contracts | 財務擔保合約 | | |
| – quality assurance fund payable | – 應付質量保證金 | 1,524,621 | 1,767,210 |
| Stage 1 | 第1階段 | 866,523 | – |
| Stage 2 | 第2階段 | 77,436 | – |
| Stage 3 | 第3階段 | 580,662 | – |

4.1.3 Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.2 信用風險 (續)

(c) 信用風險敞口

最大信用風險敞口 – 納入減值評估範圍的金融工具

下表載列財務擔保合約的最大信用風險敞口 (即應付質量保證金) 分析：

4.1.3 流動資金風險

本集團通過維持足夠現金儲備、銀行融資及儲備借款融資，持續監察預測及實際現金流量及匹配金融資產及負債的屆滿期限管理流動資金風險。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.3 Liquidity risk (Cont'd)

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the year. The contractual maturity is based on the earliest date on which the Group may be required to pay.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.3 流動資金風險 (續)

下列表格詳述本集團設有協定還款期限的金融負債的剩餘合約屆滿期限。有關表格乃基於金融負債的未折現現金流量按本集團可能被要求付款的最早日期編製。有關表格載有利息及本金現金流量。倘利息流量為浮動利率，未折現金額乃基於年末的利率曲線推算。合約屆滿期限乃基於本集團可能被要求付款的最早日期釐定。

| | | As at 31 December 2018 於2018年12月31日 | | | |
|--|------------------|---|--|---|---------------------------------|
| | | Less than 1 year 不足1年 RMB'000 人民幣千元 | Between 1 – 5 years 1至5年 RMB'000 人民幣千元 | Over 5 years 超過5年 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Long-term borrowings | 長期借款 | 36,651 | 453,985 | 13,857 | 504,493 |
| Payable to trust senior tranche holders | 應付信託優先級 持有人款項 | 44,655 | 205,228 | – | 249,883 |
| Quality assurance fund payable | 應付質量保證金 | 1,524,621 | – | – | 1,524,621 |
| Payable to platform customers | 應付平台客戶款項 | 744,783 | – | – | 744,783 |
| Short-term borrowings | 短期借款 | 192,667 | – | – | 192,667 |
| Trade payables | 貿易應付款項 | 30,197 | – | – | 30,197 |
| Other financial liabilities | 其他金融負債 | 459,431 | – | – | 459,431 |
| | | 3,033,005 | 659,213 | 13,857 | 3,706,075 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.3 Liquidity risk (Cont'd)

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.3 流動資金風險 (續)

| | | As at 31 December 2017 | | | |
|--|------------------|------------------------|-------------|---------|-----------|
| | | 於2017年12月31日 | | | |
| | | Less than | Between | Over | Total |
| | | 1 year | 1 – 5 years | 5 years | |
| | | 不足1年 | 1-5年 | 5年以上 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Long-term borrowings | 長期借款 | 35,904 | 499,962 | 21,847 | 557,713 |
| Payable to trust senior tranche holders | 應付信託優先級 持有人款項 | 74,150 | 944,089 | – | 1,018,239 |
| Quality assurance fund payable | 應付質量保證金 | 1,767,210 | – | – | 1,767,210 |
| Payable to platform customers | 應付平台客戶款項 | 656,422 | – | – | 656,422 |
| Short-term borrowings | 短期借款 | 264,119 | – | – | 264,119 |
| Trade payables | 貿易應付款項 | 33,778 | – | – | 33,778 |
| Other financial liabilities | 其他金融負債 | 721,821 | – | – | 721,821 |
| | | 3,553,404 | 1,444,051 | 21,847 | 5,019,302 |

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For the year ended 31 December 2018

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.3 Liquidity risk (Cont'd)

The following table details the Group's expected maturity for its financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.3 流動資金風險 (續)

下表詳述本集團金融資產的預計屆滿屆期。有關表格乃基於金融資產的未折現合約屆滿期限編製，包括該等資產將賺取的利息。載入金融資產的資料有助於理解本集團對流動資金風險的管理，因為流動資金是按資產及負債淨額基準管理。

| | | As at 31 December 2018 於2018年12月31日 | | |
|-----------------------------------|--------------------|---|---|---------------------------------|
| | | Less than 1 year 不足1年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Financial assets at FVPL | 按公允價值計入損益的 金融資產 | 573,221 | 425,026 | 998,247 |
| Quality assurance fund receivable | 應收質量保證金 | 812,078 | – | 812,078 |
| Contract assets | 合約資產 | 1,155,184 | – | 1,155,184 |
| Trade receivables | 貿易應收款項 | 149,567 | – | 149,567 |
| Loans to customers, net | 客戶貸款淨額 | 185,296 | – | 185,296 |
| Restricted cash | 受限制現金 | 1,056,788 | – | 1,056,788 |
| Cash and cash equivalents | 現金及現金等價物 | 1,206,172 | – | 1,206,172 |
| Other financial assets | 其他金融資產 | 277,720 | – | 277,720 |
| | | 5,416,026 | 425,026 | 5,841,052 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.3 Liquidity risk (Cont'd)

4 金融風險管理 (續)

4.1 金融風險因素 (續)

4.1.3 流動資金風險 (續)

| | | As at 31 December 2017 於2017年12月31日 | | |
|-----------------------------------|--------------------|---|---|---------------------------------|
| | | Less than 1 year 不足1年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Financial assets at FVPL | 按公允價值計入損益的 金融資產 | 334,471 | 425,093 | 759,564 |
| Quality assurance fund receivable | 應收質量保證金 | 1,407,981 | – | 1,407,981 |
| Contract assets | 合約資產 | 22,692 | – | 22,692 |
| Trade receivables | 貿易應收款項 | 59,957 | – | 59,957 |
| Loans to customers, net | 客戶貸款淨額 | 948,987 | – | 948,987 |
| Restricted cash | 受限制現金 | 1,407,491 | – | 1,407,491 |
| Cash and cash equivalents | 現金及現金等價物 | 1,258,446 | – | 1,258,446 |
| Other financial assets | 其他金融資產 | 307,554 | – | 307,554 |
| | | 5,747,579 | 425,093 | 6,172,672 |

The amounts included above for variable interest rate instruments for both financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

倘可變利率的變動有別於在報告年末釐定的利率估計，上文所列有關金融資產及負債可變利率工具的金額可能會有變動。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

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 and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital, capital reserves and preferred shares on an as-if-converted basis) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

4.3 Fair value estimation

The Group has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. The Group classifies, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4 金融風險管理 (續)

4.2 資本風險管理

本集團管理資本的目標是保障本集團繼續持續經營的能力，以向股東提供回報及令其他權益持有人獲益，以及維持最優資本架構以提升股東的長期價值。

本集團通過定期審視資本架構的方式監察資本，包括股本、資本儲備及優先股（按猶如獲轉換基準）。作為該審視的一部分，本集團會考慮資本成本及與已發行股本有關的風險。本集團可調整向股東派息的金額、向股東退還資本、發行新股或購回本公司股份。本公司董事認為，本集團的資本風險較低。

4.3 公允價值估計

本集團已就有關公允價值計量可靠程度的披露採納國際財務報告準則第13號。本集團為披露目的採用公允價值層級對公允價值計量進行分類，有關層級反映進行計量時所用輸入值的重要性。公允價值層級有以下層級：

- 第一層輸入值為實體於計量日期可取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二層輸入值為可直接或間接就該資產或負債觀察所得的輸入值（第一層級所述的報價除外）；及
- 第三層輸入值為無法就該資產或負債觀察得來的輸入值。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the management. Management consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 31 December 2018, the Group's financial assets and liabilities, including quality assurance fund receivable, trade receivables, other receivables, loans to customers, net, trade payables, other payables and other current liabilities are recognized according to the amortized cost. Based on the estimate of the management, the carrying value of these financial assets and liabilities are approximate to their fair value because most of the financial assets and financial liabilities are within one year: Financial assets at FVPL, preferred shares (Note 30) and financial liabilities at FVPL are measured at fair value.

4 金融風險管理 (續)

4.3 公允價值估計 (續)

公允價值計量整體被歸入的公允價值層級應基於對公允價值計量整體而言具重要性的最低層次輸入值釐定。就此而言，某項輸入值的重要性乃就整體公允價值計量進行評估。倘某項公允價值計量採用需要根據不可觀察輸入值作出重大調整的可觀察輸入值，該計量屬第三層計量。評估特定輸入值對整體公允價值計量的重要性時，需要作出判斷、考慮該資產或負債的特定因素。

釐定什麼構成「可觀察」輸入值時，需要管理層作出重大判斷。管理層認為，可觀察數據是現成、定期發佈或更新、可靠及可核實、非專有且由積極參與相關市場的獨立資料來源提供的市場數據。

於2018年12月31日，本集團的金融資產及負債，包括應收質量保證金、貿易應收款項、其他應收款項、客戶貸款淨額、貿易應付款項、其他應付款項及其他流動負債，乃按攤銷成本確認。基於管理層的估計，該等金融資產及負債的賬面值與其公允價值相若，因為大部分金融資產及負債的期限為一年內。按公允價值計入損益的金融資產、優先股（附註30）及按公允價值計入損益的金融負債乃按公允價值計量。

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2018 and 2017:

4 金融風險管理 (續)

4.3 公允價值估計 (續)

下表呈列本集團於2018年及2017年12月31日按公允價值計量的資產及負債：

| | Valuation techniques and key input 估值技術及主要輸入數據 | As at 31 December 2018 於2018年12月31日 | | | |
|--|---|--|------------------------------------|------------------------------------|---------------------------------|
| | | Level 1 第一級 RMB'000 人民幣千元 | Level 2 第二級 RMB'000 人民幣千元 | Level 3 第三級 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Assets 資產 | | | | | |
| Financial assets at FVPL – investments 按公允價值計入損益的 金融資產—投資 | Discounted cash flow. Future cash flows are estimated based on key assumptions including perpetual growth rate, inflation rate, weighted average cost of capital and liquidity discount. 貼現現金流量。未來現金流量基於永續增長率、通脹率、加權平均資本成本及流動性折價等主要假設進行估計。 | – | – | 425,026 | 425,026 |
| Financial assets at FVPL – wealth management products 按公允價值計入損益的 金融資產—理財產品 | Bank quoted expected return. 銀行提供預期回報。 | – | 568,959 | – | 568,959 |
| Financial assets at FVPL – derivative financial assets 按公允價值計入損益的 金融資產—衍生金融資產 | Foreign exchange contracts 外匯合約 | – | 4,262 | – | 4,262 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

4 金融風險管理 (續)

4.3 公允價值估計 (續)

| | Valuation techniques and key input 估值技術及主要輸入數據 | As at 31 December 2018 於2018年12月31日 | | | |
|--|--|--|------------------------------------|------------------------------------|---------------------------------|
| | | Level 1 第一級 RMB'000 人民幣千元 | Level 2 第二級 RMB'000 人民幣千元 | Level 3 第三級 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Liabilities 負債 | | | | | |
| Financial liabilities at FVPL 按公允價值計入損益的 金融負債 | Market stock price 市場股價 | 70,529 | – | – | 70,529 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

4 金融風險管理 (續)

4.3 公允價值估計 (續)

As at 31 December 2017

於2017年12月31日

| Valuation techniques and key input | Level 1 | Level 2 | Level 3 | Total |
|--|---|---------|---------|---------|
| 估值技術及主要輸入數據 | 第一級 | 第二級 | 第三級 | 總計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Assets | | | | |
| 資產 | | | | |
| Financial assets at FVPL – investments 按公允價值計入損益的 金融資產 – 投資 | Discounted cash flow. Future cash flows are estimated based on key assumptions including perpetual growth rate, inflation rate, weighted average cost of capital and liquidity discount. 貼現現金流量。未來現金流量基於永續增長率、通脹率、加權平均資本成本及流動性折價等主要假設進行估計。 | | | |
| | – | – | 425,093 | 425,093 |
| Financial assets at FVPL – wealth management products 按公允價值計入損益的 金融資產 – 理財產品 | Bank quoted expected return. 銀行提供預期回報。 | | | |
| | – | 334,471 | – | 334,471 |

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4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

4 金融風險管理 (續)

4.3 公允價值估計 (續)

As at 31 December 2017

於2017年12月31日

| Valuation techniques and key input | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|-----------|-----------|
| | 第一級 | 第二級 | 第三級 | 總計 |
| 估值技術及主要輸入數據 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Liabilities | | | | |
| 負債 | | | | |
| Financial liabilities at FVPL | | | | |
| 按公允價值計入損益的 金融負債 | | | | |
| Discounted cash flow. Future cash flows are estimated based on key assumptions including discount rate, risk-free interest rate and volatility. | | | | |
| 貼現現金流量。未來現金流 量基於貼現率、無風險利 率及波動率等主要假設進 行估計。 | – | – | 168,460 | 168,460 |
| Preferred shares | | | | |
| 優先股 | | | | |
| Discounted cash flow. Future cash flows are estimated based on key assumptions including discount rate, risk-free interest rate and volatility. | | | | |
| 貼現現金流量。未來現金流 量基於貼現率、無風險利 率及波動率等主要假設進 行估計。 | – | – | 6,815,260 | 6,815,260 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Cont'd)

4.3 Fair value estimation (Cont'd)

The following table presents the changes in level 3 asset instruments for the years ended 31 December 2018 and 2017:

| | | As at 31 December | |
|------------------------------|-------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At the beginning of the year | 於年初 | 425,093 | 17,891 |
| Addition | 添置 | 30,000 | 232,523 |
| Fair value (losses)/gains | 公允價值(損失)/收益 | (16,389) | 179,679 |
| Disposals | 出售 | (13,678) | (5,000) |
| At the end of the year | 於年末 | 425,026 | 425,093 |

4 金融風險管理(續)

4.3 公允價值估計(續)

下表呈列截至2018年及2017年12月31日止年度第三級資產工具的變動:

5 CREDIT FACILITATION AND SERVICE FEE

Upfront credit facilitation service fee

Post credit facilitation service fee

5 信貸撮合及服務費

Year ended 31 December

截至12月31日止年度

2018

2017

RMB'000

RMB'000

人民幣千元

人民幣千元

| | | | |
|---|-----------|-----------|-----------|
| Upfront credit facilitation service fee | 前期信貸撮合服務費 | 1,414,185 | 944,058 |
| Post credit facilitation service fee | 後期信貸撮合服務費 | 641,346 | 683,266 |
| | | 2,055,531 | 1,627,324 |

Note: The unsatisfied performance obligation as at 31 December 2018 is approximately RMB442,622,000. Management expects that 89% of the transaction price allocated to the unsatisfied contracts as at 31 December 2018 will be recognized as revenue within the next twelve months.

附註: 於2018年12月31日未完成履約責任約為人民幣442,622,000元。管理層預期分配至於2018年12月31日未履行合約的交易價的89%將於未來十二個月內確認為收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

6 OTHER REVENUE

6 其他收益

| | | Year ended 31 December | |
|---------------------------------------|-----------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest income of loans to customers | 客戶貸款的利息收入 | 91,107 | 227,440 |
| Payment service fee | 支付服務費 | 75,438 | – |
| Overdue charges | 逾期費用 | 45,098 | 75,231 |
| Insurance commission income | 保險佣金收入 | 30,656 | – |
| Others | 其他 | 55,427 | 8,876 |
| | | 297,726 | 311,547 |

7 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company who reviews consolidated results of the Group when making decisions about resources allocation and assessing the performance of the Group. The executive directors consider that the Group operates in one business segment and the measurement of segment result is based on "Operating profit" as presented in the consolidated statement of comprehensive income/(loss).

The majority of the Group's activities are carried out in mainland China during the years presented and the majority of the Group's assets and liabilities are located in mainland China. Accordingly, no analysis by geographical basis for the years are presented.

The Group has a large number of customers, no revenue from any individual customer exceeded 10% or more of the Group's revenue during the year ended 31 December 2018 and 2017.

The Group's non-current assets other than financial instruments were located in the PRC as at 31 December 2018 and 2017.

7 分部資料

主要經營決策者被確定為本公司的執行董事，其在作出有關資源分配的決策及評估本集團表現時審閱本集團的綜合業績。執行董事認為本集團經營一個業務分部及分部業績計量乃基於綜合全面收益／（虧損）表所呈列的「經營溢利」。

於呈報年度內，本集團的大部分活動於中國內地開展及本集團的大部分資產及負債位於中國內地。因此，於呈報年度內概無呈列按地區劃分的分析。

本集團擁有大量客戶，於截至2018年及2017年12月31日止年度，概無來自任何單個客戶的收益超過本集團收益的10%或以上。

於2018年及2017年12月31日，本集團除金融工具外的非流動資產均位於中國。

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

8 EXPENSES BY NATURE

8 按性質劃分的開支

| | | Year ended 31 December | |
|---|---------------------------------|------------------------|-----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Employee benefit expenses (Note 9) | 僱員福利開支(附註9) | 766,083 | 471,036 |
| Marketing and advertising fees | 營銷及廣告費 | 592,382 | 598,211 |
| External technical service fees | 外部技術服務費 | 238,059 | 103,487 |
| Fund transfer charges | 資金轉賬費用 | 194,040 | 169,247 |
| Depreciation and amortization | 折舊及攤銷 | 66,433 | 29,654 |
| Loan referral service fees | 信貸介紹服務費 | 48,126 | 89,412 |
| Listing expenses | 上市開支 | 37,275 | 14,905 |
| Insurance commissions | 保險佣金開支 | 27,339 | 1,037 |
| Office expenses | 辦公開支 | 26,752 | 22,253 |
| Professional service fees | 專業服務費 | 21,737 | 16,847 |
| Office rental | 辦公室租金 | 19,189 | 16,445 |
| Auditor's remuneration | 核數師酬金 | | |
| – Audit services | – 審計服務 | 4,100 | – |
| – Non-audit services | – 非審計服務 | 845 | 722 |
| Others | 其他 | 74,064 | 41,576 |
| Total origination and servicing expenses, sales and marketing expenses, general and administrative expenses and research and development expenses | 辦理及服務開支、銷售及營銷開支、一般及行政開支及研發開支的總和 | 2,116,424 | 1,574,832 |

Note: Incremental costs to obtain arrangements where the Group is not the loan originator are generally expensed off when incurred, because the amortization periods of these incremental costs are one year or less. These costs are recorded as sales and marketing expenses.

附註：由於增量成本的攤銷期為一年或以下，為取得本集團並非貸款發放者的安排的增量成本一般於發生時支銷。該等成本被列賬為銷售及營銷開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

| | | Year ended 31 December | |
|---|--------------------|------------------------|----------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Wages, salaries and bonuses | 工資、薪金及花紅 | 423,819 | 330,534 |
| Pension costs — defined contribution plans | 退休金成本—界定供款計劃 | 34,214 | 18,567 |
| Other social security costs, housing benefits and other employee benefits | 其他社保成本、住房福利及其他僱員福利 | 103,130 | 65,341 |
| Share-based compensation expenses (Note 29) | 以股份為基礎的薪酬開支(附註29) | 204,920 | 56,594 |
| | | 766,083 | 471,036 |

Note:

Majority of the Group's contributions to pension plans are related to the local employees in the PRC. All local employees of the subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees. The applicable percentages used to provide for these social security plans for the years ended 31 December 2018 and 2017 are listed below:

附註:

本集團的大部分退休金供款與中國當地僱員相關。中國附屬公司的所有當地僱員均參與中國的僱員社會保障計劃，包括退休金、醫療及其他福利。根據有關規則，上述社會保障計劃所規定的本集團轄下公司須承擔的保費及福利供款，主要按僱員基本薪金百分比釐定。截至2018年及2017年12月31日止年度有關社保計劃的適用百分比載列如下：

| | | Percentage |
|------------------------|------|------------|
| | | 百分比 |
| Pension insurance | 退休保險 | 14.0~20.0% |
| Medical insurance | 醫療保險 | 5.2~10.0% |
| Unemployment insurance | 失業保險 | 0.5~0.8% |
| Housing fund | 住房基金 | 12.0% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES (Cont'd)

(a) Senior management's remuneration

Senior management includes directors and other senior executives. The aggregate compensation paid/payable to senior management for employee services excluding the directors, whose details have been reflected in Note 10, is as follows:

9 僱員福利開支 (續)

(a) 高級管理人員的酬金

高級管理人員包括董事及其他高級行政人員。就僱員服務而已付／應付予高級管理人員（不包括詳情已反映於附註10的董事）的總薪酬如下：

| | | Year ended 31 December | |
|---|--------------------|------------------------|---------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries | 薪金 | 4,279 | 3,629 |
| Discretionary bonus | 酌情花紅 | 1,266 | 2,797 |
| Pension costs-defined contribution plan | 退休金成本-界定供款計劃 | 257 | 180 |
| Other social security costs, housing benefits and other employee benefits | 其他社保成本、住房福利及其他僱員福利 | 416 | 300 |
| Share-based compensation expenses | 以股份為基礎的薪酬開支 | 84,509 | 5,137 |
| | | 90,727 | 12,043 |

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截至2018年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES (Cont'd)

(a) Senior management's remuneration (Cont'd)

The emoluments of the senior management fell within the following bands:

9 僱員福利開支 (續)

(a) 高級管理人員的酬金 (續)

高級管理人員的薪酬介乎以下範圍：

| | | Number of individuals | |
|----------------------------------|-----------------------------|-----------------------|------|
| | | 人數 | |
| | | 2018 | 2017 |
| HK\$nil to HK\$1,000,000 | 0至1,000,000港元 | – | 2 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001 港元至 1,500,000港元 | – | – |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001 港元至 2,000,000港元 | – | 1 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001 港元至 2,500,000港元 | – | 2 |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001 港元至 3,000,000港元 | – | 1 |
| HK\$3,000,001 to HK\$3,500,000 | 3,000,001 港元至 3,500,000港元 | – | 1 |
| HK\$3,500,001 to HK\$5,000,000 | 3,500,001 港元至 5,000,000港元 | – | – |
| HK\$5,000,001 to HK\$5,500,000 | 5,000,001 港元至 5,500,000港元 | 1 | – |
| HK\$5,500,001 to HK\$7,500,000 | 5,500,001 港元至 7,500,000港元 | – | – |
| HK\$7,500,001 to HK\$8,000,000 | 7,500,001 港元至 8,000,000港元 | 1 | – |
| HK\$8,000,001 to HK\$8,500,000 | 8,000,001 港元至 8,500,000港元 | – | – |
| HK\$8,500,001 to HK\$9,000,000 | 8,500,001 港元至 9,000,000港元 | 1 | – |
| HK\$9,000,001 to HK\$14,000,000 | 9,000,001 港元至 14,000,000港元 | – | – |
| HK\$14,000,001 to HK\$14,500,000 | 14,000,001 港元至 14,500,000港元 | 1 | – |
| HK\$14,000,001 to HK\$20,000,000 | 14,000,001 港元至 20,000,000港元 | – | – |
| HK\$20,000,001 to HK\$20,500,000 | 20,000,001 港元至 20,500,000港元 | 1 | – |
| HK\$20,500,001 to HK\$24,500,000 | 20,500,001 港元至 24,500,000港元 | – | – |
| HK\$24,500,001 to HK\$25,000,000 | 24,500,001 港元至 25,000,000港元 | 1 | – |
| HK\$25,000,001 to HK\$26,000,000 | 25,000,001 港元至 26,000,000港元 | – | – |
| HK\$26,000,001 to HK\$26,500,000 | 26,000,001 港元至 26,500,000港元 | 1 | – |
| | | 7 | 7 |

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截至2018年12月31日止年度

10 DIRECTORS' REMUNERATION

The remuneration of every director of the Company for the year ended 31 December 2018 is set out as follows:

10 董事薪酬

截至2018年12月31日止年度本公司每名董事的薪酬載列如下：

| | Director's fee | Salaries | Discretionary bonus | Pension costs - defined contribution plan | Other social security costs, housing benefits and other employee benefits | Share-based compensation expenses | Total |
|--|----------------|----------|---------------------|---|---|-----------------------------------|---------|
| | 董事袍金 | 薪金 | 酌情花紅 | 退休金成本—界定供款計劃 | 其他 社保成本、 住房福利 及其他 僱員福利 | 以股份 為基礎的 薪酬開支 | 總計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | | |
| Sun Haitao (a) | 孫海濤(a) | – | 545 | 226 | 26 | 56 | 38,407 |
| Yang Yuzhi (b) | 楊宇智(b) | – | 431 | 144 | 26 | 56 | 24,520 |
| Zhao Ke (b) | 趙軻(b) | – | 545 | 251 | 26 | 56 | 22,237 |
| Non-executive director | 非執行董事 | | | | | | |
| Zou Yunli (b) | 鄒雲麗(b) | – | – | – | – | – | – |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Wong Ti (c) | 汪楨(c) | 128 | – | – | – | – | 128 |
| Wong Zhaocheng (c) | 王朝成(c) | 104 | – | – | – | – | 104 |
| Ye Xiang (c) | 葉翔(c) | 104 | – | – | – | – | 104 |
| | | 336 | 1,521 | 621 | 78 | 168 | 85,500 |

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截至2018年12月31日止年度

10 DIRECTORS' REMUNERATION (Cont'd)

The remuneration of every director of the Company for the year ended 31 December 2017 is set out as follows:

10 董事薪酬 (續)

截至2017年12月31日止年度本公司每名董事的薪酬載列如下：

| | Director's fee | Salaries | Discretionary bonus | Pension costs - defined contribution plan | Other social security costs, housing benefits and other employee benefits | Share-based compensation expenses | Total |
|-------------------------------|----------------|----------|---------------------|---|---|-----------------------------------|---------|
| | 董事袍金 | 薪金 | 酌情花紅 | 退休金成本—界定供款計劃 | 其他社保成本、住房福利及其他僱員福利 | 以股份為基礎的薪酬開支 | 總計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | | |
| Sun Haitao (a) | – | 489 | 491 | 24 | 46 | 12,693 | 13,743 |
| Yang Yuzhi (b) | – | 442 | 396 | 24 | 49 | 4,908 | 5,819 |
| Zhao Ke (b) | – | 479 | 420 | 24 | 49 | 1,206 | 2,178 |
| Non-executive director | 非執行董事 | | | | | | |
| Zou Yunli (b) | – | – | – | – | – | – | – |
| | – | 1,410 | 1,307 | 72 | 144 | 18,807 | 21,740 |

Notes:

- (a) Appointed as director of the Company in September 2017;
- (b) Appointed as director of the Company in November 2017;
- (c) Appointed as director of the Company in February 2018;
- (d) Except for Zou Yunli, no director waived or has agreed to waive any remuneration during the year ended 31 December 2018. No Director waived or has agreed to waive any remuneration during the year ended 31 December 2017.

附註：

- (a) 於2017年9月獲委任為本公司董事；
- (b) 於2017年11月獲委任為本公司董事；
- (c) 於2018年2月獲委任為本公司董事；
- (d) 除鄒雲麗外，截至2018年12月31日止年度，概無董事放棄或同意放棄任何薪酬。截至2017年12月31日止年度，概無董事放棄或同意放棄任何薪酬。

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截至2018年12月31日止年度

II FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 include 3 (2017: 3) directors whose emoluments are reflected in the analysis shown in Note 10. The emoluments payable to the remaining 2 individuals for the year ended 31 December 2018 (2017: 2) are as follows:

II 五名最高薪酬人士

截至2018年12月31日止年度，本集團五名最高薪酬人士包括3名董事（2017年：3名），其薪酬反映在附註10所示的分析。截至2018年12月31日止年度，應付餘下2名人士（2017年：2名）的薪酬如下：

| | | Year ended 31 December | |
|---|--------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries | 薪金 | 1,269 | 1,350 |
| Discretionary bonus | 酌情花紅 | 343 | 1,362 |
| Pension costs – defined contribution plan | 退休金成本—界定供款計劃 | 100 | 68 |
| Other social security costs, housing benefits and other employee benefits | 其他社保成本、住房福利及其他僱員福利 | 123 | 109 |
| Share-based compensation expenses | 以股份為基礎的薪酬開支 | 41,084 | 2,367 |
| | | 42,919 | 5,256 |

The emoluments fell within the following bands:

薪酬介乎以下範圍：

| | | Number of individuals | |
|----------------------------------|---------------------------|-----------------------|------|
| | | 僱員人數 | |
| | | 2018 | 2017 |
| HK\$nil to HK\$1,000,000 | 零港元至1,000,000港元 | – | – |
| HK\$1,000,001 to HK\$2,500,000 | 1,000,001港元至2,500,000港元 | – | – |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至3,000,000港元 | – | 1 |
| HK\$3,000,001 to HK\$3,500,000 | 3,000,001港元至3,500,000港元 | – | 1 |
| HK\$3,500,001 to HK\$24,500,000 | 3,500,001港元至24,500,000港元 | – | – |
| HK\$24,500,001 to HK\$25,000,000 | 24,500,001港元至25,000,000港元 | 1 | – |
| HK\$25,000,001 to HK\$25,500,000 | 25,000,001港元至25,500,000港元 | – | – |
| HK\$25,500,001 to HK\$26,000,000 | 25,500,001港元至26,000,000港元 | – | – |
| HK\$26,000,001 to HK\$26,500,000 | 26,000,001港元至26,500,000港元 | 1 | – |
| | | 2 | 2 |

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截至2018年12月31日止年度

12 OTHER (LOSSES)/GAINS, NET

12 其他(虧損)/收益淨額

| | | Year ended 31 December | |
|---|----------------------------|------------------------|---------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Fair value (loss)/gain on financial assets at FVPL | 按公允價值計入損益的金融資產的公允價值(虧損)/收益 | (3,911) | 191,706 |
| Dividend income from an investee | 來自被投資公司的股息收入 | 11,083 | – |
| Fair value gain/(loss) on foreign exchange contracts | 外匯合約的公允價值收益/(虧損) | 4,262 | (13,083) |
| Quality assurance fund loss, net (Note 22) | 質量保證金損失淨額(附註22) | (345,854) | (36,585) |
| Government grants (a) | 政府補助(a) | 6,705 | 15,253 |
| Interest expenses to trust senior tranche holders (Note 25) | 信託優先級持有人的利息開支(附註25) | (44,640) | (43,993) |
| ECL/Impairment loss (b) | 預期信用損失/減值虧損(b) | (258,375) | (97,442) |
| Others | 其他 | 791 | (3,925) |
| | | (629,939) | 11,931 |

(a) Government grants represented various subsidies granted by the government authorities which are not asset related to the Group.

(a) 政府補助指政府機構提供的與本集團資產無關的補貼。

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12 OTHER (LOSSES)/GAINS, NET (Cont'd)

(b) The composition of ECL/impairment loss provided for the years ended 31 December 2018 and 2017 is as follows:

12 其他(虧損)/收益淨額(續)

(b) 下表呈列截至2017年及2018年12月31日止年度預期信用損失/減值虧損撥備的組成部分：

| | | Year ended 31 December | |
|--------------------|--------|------------------------|----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Contract assets | 合約資產 | (212,636) | (1,830) |
| Loans to customers | 客戶貸款 | (45,469) | (95,612) |
| Trade receivables | 貿易應收款項 | (270) | – |
| | | (258,375) | (97,442) |

13 FINANCE EXPENSES, NET

13 財務開支淨額

| | | Year ended 31 December | |
|---|-------------------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| <i>Finance income</i> | <i>財務收入</i> | | |
| Interest income on bank deposits | 銀行存款利息收入 | (24,054) | (6,093) |
| Exchange gains, net | 匯兌收益淨額 | (2,842) | (412) |
| <i>Finance income</i> | <i>財務收入</i> | (26,896) | (6,505) |
| <i>Finance expenses</i> | <i>財務開支</i> | | |
| Interest and finance charges paid/payable for financial liabilities not at FVPL | 就非按公允價值計入損益的金融負債已付/應付的利息及財務費用 | 51,270 | 21,932 |
| Financing expenses of preferred shares | 優先股的融資開支 | – | 32,351 |
| <i>Finance expenses</i> | <i>財務開支</i> | 51,270 | 54,283 |
| <i>Finance expenses, net</i> | <i>財務開支淨額</i> | 24,374 | 47,778 |

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14 INCOME TAX (CREDIT)/EXPENSE

14 所得稅(抵免)/開支

| | | Year ended 31 December | |
|---------------------|-------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Current income tax | 即期所得稅 | 21,185 | 996 |
| Deferred income tax | 遞延所得稅 | (109,328) | 15,443 |
| | | (88,143) | 16,439 |

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profit/(loss) of the consolidated entities as follows:

本集團除所得稅前溢利/(虧損)的稅項不同於利用合併實體溢利/(虧損)適用的法定稅率計算將產生的理論金額，如下文所示：

| | | Year ended 31 December | |
|---|---------------------|------------------------|--------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Profit/(Loss) before income tax: | 所得稅前溢利/(虧損)： | 2,080,624 | (1,362,032) |
| Tax calculated at PRC statutory income tax rate of 25% | 按中國法定所得稅稅率25%計算的稅項 | 520,156 | (340,508) |
| Tax effects of: | 以下各項的稅務影響： | | |
| Preferential income tax rates applicable to subsidiaries | 附屬公司適用的優惠所得稅稅率 | (19,240) | (187,633) |
| Effects from change of tax rates | 稅率變動的影響 | (4,254) | (34,428) |
| Effect from fair value change of preferred shares | 優先股公允價值變動的影響 | (485,555) | 512,705 |
| Unrecognized deductible temporary differences and other permanent differences | 未確認可扣減暫時性差額及其他永久性差額 | (18,672) | 69,678 |
| Research and development tax credit | 研究與開發稅項抵免 | (40,687) | (3,375) |
| Utilisation of unrecognized deductible temporary differences in prior years | 使用往年度未確認扣稅臨時差額 | (39,891) | – |
| Income tax (credit)/expense | 所得稅(抵免)/開支 | (88,143) | 16,439 |

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14 INCOME TAX (CREDIT)/EXPENSE (Cont'd)

The Group's main applicable taxes and tax rates are as follows:

Cayman Islands

The Company was incorporated in the Cayman Islands. Under the current tax laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no withholding tax will be imposed to dividends distributed by the Company to its shareholders.

BVI

The Group's entities incorporated in BVI are not subject to tax on income or capital gains.

HK

The Group's entities incorporated in HK are subject to Profits Tax rate of 16.5%.

China

Under the Law of the PRC on Enterprise Income Tax ("EIT Law"), the enterprises incorporated in the PRC are generally subject to a uniform enterprise income tax rate of 25%, except for entities qualified as "Software Enterprise", "High and New Technology Enterprise" or "Small low-profit Enterprise" for which preferential tax treatments are granted under EIT Law.

Enniu Network is qualified as High and New Technology Enterprise ("HNTE") under the EIT Law in 2016 and is entitled to a preferential income tax rate of 15% for three years. The HNTE qualification is subject to the renewal every three years. In addition, Enniu Network is also qualified as "Software Enterprise" under EIT Law in 2017 and hence, is entitled to a two-year EIT exemption in 2016 and 2017 followed by a three-year 50% EIT rate reduction from 2018 to 2020. The qualification is subject to annual reassessment. Enniu Network is subject to EIT rate of 12.5% for the year ended 31 December 2018 (2017: nil).

14 所得稅(抵免)/開支(續)

本集團的主要適用稅項及稅率如下：

開曼群島

本公司於開曼群島註冊成立。根據開曼群島的現行稅法，本公司毋須繳納所得稅或資本利得稅。此外，概無對本公司向其股東分派的股息徵收預扣稅。

英屬維爾京群島

本集團於英屬維爾京群島註冊成立的實體毋須繳納所得稅或資本利得稅。

香港

本集團於香港註冊成立的實體須繳納16.5%稅率的利得稅。

中國

根據《中華人民共和國企業所得稅法》（「企業所得稅法」），於中國註冊成立的企業一般須按統一的企業所得稅率25%繳納企業所得稅，惟根據企業所得稅法授出優惠稅務待遇的合資格作為「軟件企業」、「高新技術企業」或「小型微利企業」的實體除外。

恩牛網絡於2016年根據企業所得稅法被認定為高新技術企業（「高新技術企業」），享有三年15%的優惠所得稅率。高新技術企業資格須每三年重新認定。此外，恩牛網絡於2017年根據企業所得稅法又被認定為「軟件企業」，因此，於2016年及2017年享有兩年的企業所得稅豁免，之後於2018年至2020年享有三年50%的企業所得稅減免。該認定資格須每年重新評估。恩牛網絡於截至2018年12月31日止年度須按稅率12.5%繳交企業所得稅（2017年：無）。

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14 INCOME TAX (CREDIT)/EXPENSE (Cont'd)

China (Cont'd)

Dingli Technology and Yiniu Network are qualified as HNTes in 2017 and are entitled to a preferential income tax rate of 15% for three years. The HNTe qualification is subject to the renewal every three years.

Beijing Yaku Shikong Information Exchange Technology Co., Ltd., ("Yaku Shikong"), Beijing Shouhui Shidai Information Technology Co., Ltd. ("Shouhui Shidai") and Beijing Shouhui Kaizhuo Technology Co., Ltd. ("Kaizhuo Technology") are qualified as HNTes in 2014, 2015 and 2017 respectively and entitled to a preferential income tax rate of 15% for three years, but subject to the renewal of HNTes every three years. Yaku Shikong, Shouhui Shidai and Kaizhuo Technology are subject to EIT rate of 15% for the year ended 31 December 2018 (2017: 15%).

Beijing Jianguo Credit Management Co., Ltd., Shanghai Qingniu Business Information Consulting Partnership (Limited Partnership), Hangzhou Shangniu Investment Management Partnership (Limited Partnership), Beijing Yahui Shidai Information Consulting Co., Ltd. are qualified as Small Low-profit Enterprises under the EIT Law in 2018 and are entitled to a preferential income tax rate of 10% for the year ended 31 December 2018 (2017: 25%).

All other subsidiaries of the Company established in the PRC are subject to EIT rate of 25%.

Withholding Tax on Undistributed Profits

According to the EIT Law, distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on withholding tax for the undistributed profits of the PRC subsidiaries has been accrued.

14 所得稅(抵免)/開支(續)

中國(續)

鼎力科技及義牛網絡於2017年被認定為高新技術企業，享有三年15%的優惠所得稅率。高新技術企業資格須每三年重新認定。

北京雅酷時空信息交換技術有限公司(「雅酷時空」)、北京首惠時代信息技術有限公司(「首惠時代」)及北京首惠開桌科技股份有限公司(「開桌科技」)分別於2014年、2015年及2017年被認定為高新技術企業，享有三年15%的優惠所得稅率，但須每三年重新認定高新技術企業資格。雅酷時空、首惠時代及開桌科技於截至2018年12月31日止年度須按15%的稅率繳納企業所得稅(2017年：15%)。

根據企業所得稅法，北京堅果信用管理有限公司、上海卿牛商務信息諮詢合夥企業(有限合夥)、杭州商牛投資管理合夥企業(有限合夥)及北京雅惠時代信息諮詢有限公司於2018年合資格作為小型微利企業，有權於截至2018年12月31日止年度享有優惠所得稅率10%(2017年：25%)。

本公司於中國成立的所有其他附屬公司須繳納25%稅率的企業所得稅。

未分派溢利的預扣稅

根據企業所得稅法，在向於境外註冊成立的直接控股公司分派溢利時，中國公司自2008年1月1日起向外國投資者分派所賺取的溢利須按5%或10%的稅率繳納預扣稅，視乎該外國投資者註冊成立所在國而定。

本集團並無計劃要求其中國附屬公司分派其保留盈利，且擬由其中國附屬公司保留相關盈利以在中國經營及拓展其業務。因此，概無就中國附屬公司未分派溢利產生與預扣稅有關的遞延所得稅負債。

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15 EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share is calculated by dividing the income/(loss) of the Group attributable to owners of the Group by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares has reflected the effect of share split as disclosed in Note 1.2.

15 每股盈利／（虧損）

- (a) 每股基本盈利／（虧損）乃按本集團擁有人應佔本集團收入／（虧損）除以年內已發行普通股加權平均數計算。普通股的加權平均數已反映股份分拆的影響（於附註1.2披露）。

| | | Year ended 31 December | |
|--|---------------------|------------------------|-------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Earnings/(loss) attributable to owners of the Group | 本集團擁有人應佔盈利／（虧損） | 2,162,084 | (1,371,270) |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股加權平均數（千股） | 563,603 | 173,613 |
| Basic earnings/(loss) per share (expressed in RMB) | 每股基本盈利／（虧損）（以人民幣列示） | 3.84 | (7.90) |

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15 EARNINGS/(LOSS) PER SHARE (Cont'd)

- (b) Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the year ended 31 December 2017, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2017 is the same as basic loss per share.

For the year ended 31 December 2018, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and restricted share units ("RSUs") granted by the Company (collectively forming the denominator for computing diluted earnings per share). No adjustment is made to earnings (numerator).

15 每股盈利／（虧損）（續）

- (b) 每股攤薄盈利／（虧損）乃假設轉換所有具潛在攤薄影響的普通股而調整發行在外普通股加權平均數的方式計算。由於本集團於截至2017年12月31日止年度產生虧損，故在計算每股攤薄虧損時並無計及潛在普通股，原因是計及潛在普通股將具有反攤薄影響。因此，截至2017年12月31日止年度的每股攤薄虧損與每股基本虧損相同。

截至2018年12月31日止年度，每股攤薄盈利乃假設因本公司授出的購股權及受限制股份單位轉換所有具潛在攤薄影響的普通股而調整發行在外普通股加權平均數（共同構成計算每股攤薄盈利的分母）的方式計算。並無對盈利（分子）作出任何調整。

| | | Year ended 31 December | |
|---|---------------------------|------------------------|-------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| Profit/(loss) attributable to owners of the Group (RMB'000) | 本集團擁有人應佔溢利／（虧損）（人民幣千元） | 2,162,084 | (1,371,270) |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股加權平均數（千股） | 563,603 | 173,613 |
| Adjustments for share options and RSUs granted to employees ('000) | 就授予僱員的購股權及受限制股份單位作出調整（千股） | 92,713 | — |
| Weighted average number of ordinary shares for calculation of diluted earnings/(loss) per share | 用於計算每股攤薄盈利／（虧損）的普通股加權平均數 | 656,316 | 173,613 |
| Diluted earnings/(loss) per share (expressed in RMB) | 每股攤薄盈利／（虧損）（以人民幣列示） | 3.29 | (7.90) |

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16 PROPERTY AND EQUIPMENT, NET

16 物業及設備淨額

| | | Computer and electronic equipment 電腦及 電子設備 RMB'000 人民幣千元 | Office furniture and equipment 辦公傢具及 設備 RMB'000 人民幣千元 | Leasehold improvements 租賃裝修 RMB'000 人民幣千元 | Building 樓宇 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|----------------------------------|--------------|--|---|---|------------------------------------|---|---------------------------------|
| Cost | 成本 | | | | | | |
| As at 1 January 2018 | 於2018年1月1日 | 76,183 | 20,550 | 57,862 | 102,156 | 1,491 | 258,242 |
| Addition from purchases | 購買添置 | 42,909 | 13,192 | 32,850 | 3,059 | – | 92,010 |
| Disposal | 處置 | (14,050) | (12,147) | – | – | – | (26,197) |
| As at 31 December 2018 | 於2018年12月31日 | 105,042 | 21,595 | 90,712 | 105,215 | 1,491 | 324,055 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| As at 1 January 2018 | 於2018年1月1日 | (21,592) | (5,022) | (7,064) | (2,426) | (72) | (36,176) |
| Depreciation charge for the year | 年內折舊開支 | (28,206) | (7,794) | (16,632) | (5,071) | (354) | (58,057) |
| Disposal | 處置 | 3,985 | 2,533 | – | – | – | 6,518 |
| As at 31 December 2018 | 於2018年12月31日 | (45,813) | (10,283) | (23,696) | (7,497) | (426) | (87,715) |
| Net book value | 賬面淨值 | | | | | | |
| As at 31 December 2018 | 於2018年12月31日 | 59,229 | 11,312 | 67,016 | 97,718 | 1,065 | 236,340 |

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16 PROPERTY AND EQUIPMENT, NET (Cont'd)

16 物業及設備淨額 (續)

| | | Computer and electronic equipment 電腦及 電子設備 RMB'000 人民幣千元 | Office furniture and equipment 辦公傢具及 設備 RMB'000 人民幣千元 | Leasehold improvements 租賃裝修 RMB'000 人民幣千元 | Building 樓宇 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------|--|---|---|------------------------------------|---|---------------------------------|
| Cost | 成本 | | | | | | |
| As at 1 January 2017 | 於2017年1月1日 | 27,445 | 6,679 | 13,805 | – | – | 47,929 |
| Addition from purchases | 購買添置 | 43,184 | 13,855 | 44,554 | 102,156 | 1,211 | 204,960 |
| Addition through business combinations | 透過業務合併添置 | 6,364 | 363 | 40 | – | 280 | 7,047 |
| Disposal | 處置 | (810) | (347) | (537) | – | – | (1,694) |
| As at 31 December 2017 | 於2017年12月31日 | 76,183 | 20,550 | 57,862 | 102,156 | 1,491 | 258,242 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| As at 1 January 2017 | 於2017年1月1日 | (8,929) | (1,223) | (1,068) | – | – | (11,220) |
| Depreciation charge for the year | 年內折舊開支 | (12,893) | (3,871) | (5,996) | (2,426) | (72) | (25,258) |
| Disposal | 處置 | 230 | 72 | – | – | – | 302 |
| As at 31 December 2017 | 於2017年12月31日 | (21,592) | (5,022) | (7,064) | (2,426) | (72) | (36,176) |
| Net book value | 賬面淨值 | | | | | | |
| As at 31 December 2017 | 於2017年12月31日 | 54,591 | 15,528 | 50,798 | 99,730 | 1,419 | 222,066 |

Depreciation expenses have been charged to the consolidated statement of comprehensive income/(loss) as follows:

折舊開支按以下方式於綜合全面收益／(虧損)表扣除：

| | | Year ended 31 December 截至12月31日止年度 | |
|-------------------------------------|---------|---------------------------------------|--------------------------|
| | | 2018 RMB'000 人民幣千元 | 2017 RMB'000 人民幣千元 |
| Origination and servicing expenses | 辦理及服務開支 | 22,302 | 17,495 |
| Sales and marketing expenses | 銷售及營銷開支 | 2,336 | 440 |
| General and administrative expenses | 一般及行政開支 | 9,853 | 1,544 |
| Research and development expenses | 研發開支 | 23,566 | 5,779 |
| | | 58,057 | 25,258 |

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17 INTANGIBLE ASSETS

17 無形資產

| | | Goodwill 商譽 RMB'000 人民幣千元 (Note a) (附註a) | Software 軟件 RMB'000 人民幣千元 | Platform 平台 RMB'000 人民幣千元 | Applications 應用 RMB'000 人民幣千元 | Licenses 牌照 RMB'000 人民幣千元 (Note b) (附註b) | Trademark 商標 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------|---|------------------------------------|------------------------------------|--|---|-------------------------------------|---------------------------------|
| Cost | 成本 | | | | | | | |
| As at 1 January 2018 | 於2018年1月1日 | 491,303 | 11,884 | 9,810 | 3,260 | 517,200 | – | 1,033,457 |
| Addition from purchases | 購買添置 | – | 9,489 | – | – | – | 2,358 | 11,847 |
| Disposal | 處置 | – | (900) | – | – | – | – | (900) |
| As at 31 December 2018 | 於2018年12月31日 | 491,303 | 20,473 | 9,810 | 3,260 | 517,200 | 2,358 | 1,044,404 |
| Accumulated amortisation | 累計攤銷 | | | | | | | |
| As at 1 January 2018 | 於2018年1月1日 | – | (2,300) | (3,761) | (625) | – | – | (6,686) |
| Amortisation charge for the year (Note c) | 年內攤銷開支(附註c) | – | (5,913) | (1,961) | (326) | – | (176) | (8,376) |
| As at 31 December 2018 | 於2018年12月31日 | – | (8,213) | (5,722) | (951) | – | (176) | (15,062) |
| Net book value | 賬面淨值 | | | | | | | |
| As at 31 December 2018 | 於2018年12月31日 | 491,303 | 12,260 | 4,088 | 2,309 | 517,200 | 2,182 | 1,029,342 |
| Cost | 成本 | | | | | | | |
| As at 1 January 2017 | 於2017年1月1日 | 42,707 | 2,269 | 9,810 | 3,260 | – | – | 58,046 |
| Addition from purchases | 購買添置 | – | 6,439 | – | – | – | – | 6,439 |
| Addition through business combinations | 透過業務合併添置 | 448,596 | 3,176 | – | – | 517,200 | – | 968,972 |
| As at 31 December 2017 | 於2017年12月31日 | 491,303 | 11,884 | 9,810 | 3,260 | 517,200 | – | 1,033,457 |
| Accumulated amortisation | 累計攤銷 | | | | | | | |
| As at 1 January 2017 | 於2017年1月1日 | – | (192) | (1,799) | (299) | – | – | (2,290) |
| Amortisation charge for the year (Note c) | 年內攤銷開支(附註c) | – | (2,108) | (1,962) | (326) | – | – | (4,396) |
| As at 31 December 2017 | 於2017年12月31日 | – | (2,300) | (3,761) | (625) | – | – | (6,686) |
| Net book value | 賬面淨值 | | | | | | | |
| As at 31 December 2017 | 於2017年12月31日 | 491,303 | 9,584 | 6,049 | 2,635 | 517,200 | – | 1,026,771 |

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17 INTANGIBLE ASSETS (Cont'd)

- (a) Impairment review on the goodwill of the Group has been conducted by the management as at 31 December 2018 and 2017 according to IAS 36 "Impairment of assets". For the purpose of impairment review, the recoverable amount of the goodwill is determined based on the value in use calculations. The value in use calculation uses cash flow projections based on financial budgets approved by management covering a five year period. Key assumptions for the value in use calculations relate to the estimation of cash flows which include expected annual growth rate and operating profit margin, such estimation based on each operating unit's past performance and management's expectations for the market development. The pre-tax discount rates used reflect specific risks relating to each relevant operating unit. As at 31 December 2018 and 2017, key assumptions and parameter for goodwill used for value-in-use calculations are set as below:

| | | As at 31 December | |
|-------------------------|--------|--------------------|-----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| Annual growth rates | 年增長率 | (17.53)% – 130.33% | 0.10% – 512.00% |
| Operating profit margin | 營業利潤率 | 24.23% – 77.74% | 26.15% – 39.53% |
| Pre-tax discount rate | 除稅前貼現率 | 18.02% – 23.25% | 17.32% – 23.92% |

Based on the assessment, no provision for impairment on goodwill was required for the year ended 31 December 2018 (2017: nil).

- (b) The Group's licenses mainly represent the payment license of Kaizhuo Technology amounting to RMB499,000,000 acquired by the Group on 31 December 2017. The carrying amount of the payment license as at 31 December 2017 was equal to its fair value as determined for purchase price allocation using discounted cash flow method on the acquisition day. No impairment for the license was expected on 31 December 2017, the acquisition day.

17 無形資產 (續)

- (a) 管理層根據國際會計準則第36號「資產減值」對本集團於2018年及2017年12月31日的商譽進行減值審閱。就減值審閱而言，商譽的可收回金額乃基於使用價值計算釐定。使用價值計算採用現金流量預測，以管理層批准涵蓋五年期的財政預算為基準。用於使用價值計算的主要假設與現金流量估計（包括預期年增長率及營業利潤率）有關，有關估計乃基於各經營單位的過往表現以及管理層對市場發展的預期而定。所用除稅前貼現率反映與各相關經營單位有關的特定風險。於2018年及2017年12月31日，用作使用價值計算的主要假設及參數載列如下：

根據評估，截至2018年12月31日止年度毋須就商譽減值作出撥備（2017年：無）。

- (b) 本集團牌照主要指本集團於2017年12月31日收購開桌科技支付牌照款項人民幣499,000,000元。支付牌照於2017年12月31日的賬面值相當於其在收購日期按採用貼現現金流量法分配採購價所釐定的公允價值。預期牌照於2017年12月31日（收購日）不會出現任何減值情況。

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17 INTANGIBLE ASSETS (Cont'd)

(b) (Cont'd)

As at 31 December 2018, in assessing the impairment for the payment license with indefinite useful life, the Group compares the carrying amounts of the payment license against their recoverable amounts (the higher of the assets' fair value less costs of disposal and their value in use). The recoverable amounts of the payment license was determined based on value in use calculation using cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and reflect management's best estimates of the ranges of economic conditions that will exist over the forecast period of 5 years. The pre-tax discount rate applied to cash flow projections was 19.15%, which reflects the weighted average cost of capital. The annual growth revenue applied in cash flows projection was ranged from 8.00% to 191.29%. The operating profit margin applied in cash flow project was ranged from 7.33% to 23.14%.

Based on the assessment, no provision for impairment of the payment license was required for the year ended 31 December 2018.

17 無形資產 (續)

(b) (續)

截至2018年12月31日，於評估無限期可使用年期的牌照的減值時，本集團將無形資產的賬面值與彼等可收回金額（資產公允價值的較高者減出售成本及其使用價值）進行比較。第三方支付牌照的可收回金額乃根據其使用價值釐定，而使用價值則按照最近期的財務預算及預測採用現金流量預測計算。管理層認為該等財務預算及預測合理，且為管理層對經濟情況範圍（將存在超過5年預期）之最佳估計。適用於現金流量預測的稅前貼現率為19.15%，其亦反映加權平均資本成本。適用於現金流量預測的年增長收益介乎8.00%至191.29%。適用於現金流項目的營業利潤率介乎7.33%至23.14%。

根據評估，截至2018年12月31日止年度毋須就支付牌照減值作出撥備。

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17 INTANGIBLE ASSETS (Cont'd)

(c) Amortization of intangible assets

Amortization charges of intangible assets were expensed in the following categories in the consolidated statement of comprehensive income/(loss):

| | | Year ended 31 December | |
|-------------------------------------|---------|------------------------|--------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Origination and servicing expenses | 辦理及服務開支 | 4,101 | 2,270 |
| General and administrative expenses | 一般及行政開支 | 3,175 | 1,178 |
| Research and development expenses | 研發開支 | 1,100 | 948 |
| | | 8,376 | 4,396 |

18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

17 無形資產(續)

(c) 無形資產攤銷

無形資產的攤銷費用於綜合全面收益/(虧損)表中在以下類別中支銷:

18 使用權益法入賬的投資

| | | As at 31 December | |
|------------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Associates | 聯營公司 | 144,430 | 145,732 |

The movement of the Group's interests in associates is as follows:

本集團於聯營公司權益的變動如下:

| | | As at 31 December | |
|------------------------------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At the beginning of the year | 年初 | 145,732 | 12,285 |
| Addition | 添置 | – | 135,902 |
| Disposal | 出售 | – | (990) |
| Share of losses | 分佔虧損 | (1,302) | (1,465) |
| At the end of the year | 年末 | 144,430 | 145,732 |

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18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Cont'd)

The investments in associates as at 31 December 2018 and 2017 are as follows:

18 使用權益法入賬的投資 (續)

於2018年及2017年12月31日於聯營公司的投資如下：

| Name of Entity 實體名稱 | Date of incorporation 註冊成立日期 | Place of incorporation 註冊成立地點 | 2018 | 2017 | Principal activities 主要活動 |
|--|---------------------------------|----------------------------------|--------|--------|--|
| Beijing Caizhiyun Investment Management Co., Ltd.* (a) 北京財智雲投資管理有限公司(a) | 29 October 2014 2014年10月29日 | PRC 中國 | 10.00% | 10.00% | Development and operation of apps 開發及運營應用 |
| Zhejiang Anniu Technology Co. Ltd ("Anniu Technology")* (b) 浙江安牛科技有限公司 (「安牛科技」)* (b) | 9 October 2016 2016年10月9日 | PRC 中國 | 27.25% | 30.97% | Development and operation of apps 開發及運營應用 |
| Hangzhou Shanniu Catering Management Co., Ltd.* 杭州膳牛餐飲管理有限公司 | 29 August 2017 2017年8月29日 | PRC 中國 | 30.00% | 30.00% | Catering services 餐飲服務 |
| Beijing Juece Xincheng Technology Co., Ltd.* (c) 北京決策信誠科技有限公司(c) | 29 December 2006 2006年12月29日 | PRC 中國 | 49.61% | 49.61% | Development and operation of apps 開發及運營應用 |
| Hangzhou Xinyada Fantai Technology Co., Ltd.* (d) 杭州信雅達泛泰科技有限公司(d) | 26 May 2016 2016年5月26日 | PRC 中國 | 13.76% | 13.76% | Technology services 技術服務 |
| Shanghai Pengshu Information Technology Co., Ltd.* (e) 上海朋數信息科技有限公司(e) | 6 February 2016 2016年2月6日 | PRC 中國 | 15.42% | 8.42% | Loan collection services 收回貸款服務 |

- *The English names of the associates represent the best effort by the Company's management to translate their Chinese names, as these associates do not have official English names.*

- * 聯營公司的英文名為公司管理層對其中文名的最大努力的翻譯，這些公司並無正式英文名。

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18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Cont'd)

- (a) On 30 October 2015, the Group acquired 10.00% equity interests in Beijing Caizhiyun Investment Management Co., Ltd. (北京財智雲投資管理有限公司, "Caizhiyun"). According to Caizhiyun's Article of Association, the Group is entitled to appoint one director in the Board of Directors of Caizhiyun (3 board seats in total), and the Group's management considers that the Group has the power to exercise significant influence in Caizhiyun through the participation in operational and financial policy-making process. Consequently, Caizhiyun has been accounted for the investment using equity method.
- (b) On 17 November 2016, the Group acquired 40.97% equity interests in Anniu Technology. In July 2017, the Group disposed 10.00% equity interests at carrying amount of RMB990,000 for a cash consideration of RMB1,250,000. In January 2018, the Group's interests in Anniu Technology was further diluted from 30.97% to 27.25% with the additional capital contributed by other two shareholders.
- (c) On 26 December 2017, the Group acquired 49.61% equity interests in Beijing Juece Xincheng Technology Co., Ltd. (北京決策信誠科技有限公司, "Juece"). According to Juece's Article of Association, the Group is entitled to appoint one director in the Board of Directors of Juece (3 board seats in total), and the Group's management considers that the Group has the power to exercise significant influence in Juece through the participation in operational and financial policy-making process. Consequently, Juece has been accounted for the investment using equity method.

18 使用權益法入賬的投資 (續)

- (a) 於2015年10月30日，本集團收購北京財智雲投資管理有限公司（「財智雲」）10.00%股權。根據財智雲的組織章程細則，本集團有權於財智雲的董事會委任一名董事（總共有三個董事席位），且本集團的管理層認為本集團有權力透過參與經營及財務政策制訂過程對財智雲行使重大影響力。因此，財智雲的投資使用權益法入賬。
- (b) 於2016年11月17日，本集團收購安牛科技40.97%股權。於2017年7月，本集團按賬面值人民幣990,000元出售10.00%股權，現金代價為人民幣1,250,000元。於2018年1月，因其他兩名股東增加注資，本集團於安牛科技的權益由30.97%進一步攤薄至27.25%。
- (c) 於2017年12月26日，本集團收購北京決策信誠科技有限公司（「決策」）49.61%股權。根據決策的組織章程細則，本集團有權於決策的董事會委任一名董事（總共有三個董事席位），且本集團的管理層認為本集團有權力透過參與經營及財務政策制訂過程對決策行使重大影響力。因此，決策的投資使用權益法入賬。

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18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD *(Cont'd)*

- (d) On 23 October 2017, the Group acquired 13.76% equity interests in Hangzhou Xinyada Fantai Technology Co., Ltd. (杭州信雅達泛泰科技有限公司, "Xinyada"). According to Xinyada's Article of Association, the Group is entitled to appoint one director in the Board of Directors of Xinyada (5 board seats in total), and the Group's management considers that the Group has the power to exercise significant influence in Xinyada through the participation in operational and financial policy-making process. Consequently, Xinyada has been accounted for the investment using equity method.
- (e) As at 31 December 2018, the Group held 15.42% equity interests in Shanghai Pengshu Information Technology Co., Ltd. (上海朋數信息科技有限公司, "Pengshu"). According to Pengshu's Article of Association, the Group is entitled to appoint one director in the Board of Directors of Pengshu (5 board seats in total), and the Group's management considers that the Group has the power to exercise significant influence in Pengshu through the participation in operational and financial policy-making process. Consequently, Pengshu has been accounted for the investment using equity method.

18 使用權益法入賬的投資 (續)

- (d) 於2017年10月23日，本集團收購杭州信雅達泛泰科技有限公司（「信雅達」）13.76%股權。根據信雅達的組織章程細則，本集團有權於信雅達的董事會委任一名董事（總共有五個董事席位），且本集團的管理層認為本集團有權力透過參與經營及財務政策制訂過程對決策行使重大影響力。因此，信雅達的投資使用權益法入賬。
- (e) 於2018年12月31日，本集團持有上海朋數信息科技有限公司（「朋數」）15.42%股權。根據朋數的組織章程細則，本集團有權於朋數的董事會委任一名董事（總共有五個董事席位），且本集團的管理層認為本集團有權力透過參與經營及財務政策制訂過程對決策行使重大影響力。因此，朋數的投資使用權益法入賬。

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18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD *(Cont'd)*

Set out below is the summarized financial information of the Group's major associate, Jucee, which is accounted for using equity method.

18 使用權益法入賬的投資 (續)

下文載列使用權益法入賬的本集團主要聯營公司決策的財務資料概要。

| | | Jucee 決策 | |
|-------------------------|-------|-----------------------|---------|
| | | 31 December 12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Current assets | 流動資產 | 44,012 | 27,685 |
| Non-current assets | 非流動資產 | 747 | 938 |
| Current liabilities | 流動負債 | 10,100 | 7,182 |
| Non-current liabilities | 非流動負債 | – | – |
| Revenue | 收益 | 80,507 | 39,349 |
| Profit for the year | 年內溢利 | 2,296 | 274 |

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18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Cont'd)

Set out below is the reconciliation of summarised financial information of the Group's major associate, Jucee, presented to the carrying amount of its interest in the associate.

18 使用權益法入賬的投資 (續)

下文載列本公司的主要聯營公司決策的財務資料概要與其於聯營公司的權益的賬面值的對賬。

| | | Jucee 決策 | |
|---|---------------|--------------------------|--------------------------|
| | | 31 December 12月31日 | |
| | | 2018 RMB'000 人民幣千元 | 2017 RMB'000 人民幣千元 |
| Net assets at the beginning of the year | 年初資產淨值 | 32,363 | – |
| Incorporation of an associate | 綜合聯營公司 | – | 32,363 |
| Profit/(loss) for the year | 年內溢利/(虧損) | 2,296 | – |
| Net assets the end of the year | 年末資產淨值 | 34,659 | 32,363 |
| Interest in associates | 於聯營公司的權益 | 49.61% | 49.61% |
| Goodwill | 商譽 | 69,780 | 69,780 |
| Carrying value | 賬面值 | 86,974 | 85,835 |

19 FINANCIAL ASSETS AT FVPL

19 按公允價值計入損益的金融資產

| | | As at 31 December 於12月31日 | |
|---|----------------------|------------------------------|--------------------------|
| | | 2018 RMB'000 人民幣千元 | 2017 RMB'000 人民幣千元 |
| Included in non-current assets | 計入非流動資產 | | |
| – Investment in ordinary shares with preferential liquidation right (a) | – 於附帶優先清算權的普通股的投資(a) | 335,152 | 353,060 |
| – Investments in investment funds (b) | – 於投資基金的投資(b) | 78,353 | 59,801 |
| – Investment in equity host securities | – 於權益證券的投資 | 11,521 | 12,232 |
| | | 425,026 | 425,093 |
| Included in current assets | 計入流動資產 | | |
| – Wealth management products (c) | – 理財產品(c) | 568,959 | 334,471 |
| – Derivative financial assets | – 衍生金融資產 | 4,262 | – |
| | | 573,221 | 334,471 |
| | | 998,247 | 759,564 |

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19 FINANCIAL ASSETS AT FVPL (Cont'd)

- (a) The Group made investments in ordinary shares with liquidation preference rights of certain companies that are engaged in providing internet information and technology services. These investments contain embedded derivatives that are not closely related to the host contract. After considering the Group's investment objectives and intentions, the Group does not bifurcate the embedded derivatives from the host instruments and recognizes the entire hybrid contracts as financial assets at FVPL, with the changes in the fair value recorded in "Other (losses)/gains, net" in the consolidated statement of comprehensive income/(loss). The Company determines the respective fair values as at the year end based on the expected discounted cash flow and market multiple of comparable companies.

19 按公允價值計入損益的金融資產(續)

- (a) 本集團投資從事提供線上信息及技術服務的若干公司的附有變現優先權的普通股。該等投資含有與主合約並非密切相關的嵌入式衍生工具。經考慮本集團的投資目標及意向後，本集團並未將嵌入式衍生工具與主工具分開，而將全部混合式合約確認為按公允價值計入損益的金融資產，公允價值變動於綜合全面收益／(虧損)表內計入「其他(虧損)／收益淨額」。本公司依據預期貼現現金流量及可資比較公司的市場倍數釐定於年末的相關公允價值。

| | | As at 31 December | |
|---|---------------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At the beginning of the year | 年初 | 353,060 | 17,691 |
| Additions | 添置 | 10,000 | 169,101 |
| Fair value (losses)/gains of investment in ordinary shares with preferential liquidation rights | 具有優先清算權的普通股投資的公允價值(損失)／收益 | (27,908) | 171,268 |
| Disposal | 出售 | — | (5,000) |
| At the end of the year | 年末 | 335,152 | 353,060 |

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19 FINANCIAL ASSETS AT FVPL (Cont'd)

- (b) In January and June 2018, the Group made investments of RMB10,000,000 and RMB5,000,000, respectively, in certain funds to invest in industry value chain. The Group managed and evaluated these investments on a fair value basis. These investments were recognized as financial assets at FVPL upon initial recognition.

19 按公允價值計入損益的金融資產(續)

- (b) 於2018年1月及6月，本集團於若干基金分別投資人民幣10,000,000元及人民幣5,000,000元，以投資產業價值鏈。本集團按公允價值基準管理及評估該等投資。該等投資於初步確認時被確認為按公允價值計入損益的金融資產。

| | | As at 31 December | |
|---|----------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At the beginning of the year | 年初 | 59,801 | – |
| Additions | 添置 | 20,000 | 51,390 |
| Fair value gain of investments in investment funds | 於投資基金投資的公允價值收益 | 12,230 | 8,411 |
| Disposal | 出售 | (13,678) | – |
| At the end of the year | 年末 | 78,353 | 59,801 |

- (c) The wealth management products represent investment in wealth management products issued by banks in the PRC with expected income rates ranging from 2.4% to 4.6% per annum for the year ended 31 December 2018 and 2017. The returns on all of these wealth management products are not guaranteed, and therefore the Group recognized them as financial assets at FVPL. As at 31 December 2018 and 2017, the carrying amount of wealth management products approximates their fair value. The fair values are based on the bank quoted expected returns and are within level 2 of the fair value hierarchy.

- (c) 理財產品指於中國的銀行發行的理財產品的投資，預期於截至2018年及2017年12月31日止年度內的投資收益率介乎每年2.4%至4.6%。所有該等理財產品均不保證收益，因此，本集團將其確認為按公允價值計入損益的金融資產。於2018年及2017年12月31日，理財產品的賬面值與其公允價值相若。公允價值乃基於銀行所報預期收益率計算，屬於公允價值等級中的第二級。

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20 DEFERRED INCOME TAX

The amount of offsetting deferred income tax assets and liabilities is approximately RMB54,195,000 as at 31 December 2018 (31 December 2017: nil).

The analysis of deferred tax assets and deferred tax liabilities is as follows:

20 遞延所得稅

於2018年12月31日抵銷遞延所得稅資產及負債的金額為約人民幣54,195,000元(2017年12月31日:無)。

對遞延稅項資產及遞延稅項負債的分析如下:

| | | As at 31 December | |
|---|-------------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Deferred income tax assets: | 遞延所得稅資產: | | |
| – to be recovered after more than 12 months | – 將於12個月後收回 | 276,495 | 32,042 |
| – to be recovered within 12 months | – 將於12個月內收回 | – | 72,514 |
| | | 276,495 | 104,556 |
| Amount offset deferred tax assets | 抵銷遞延稅項資產的金額 | (54,195) | – |
| Total deferred tax assets | 遞延稅項資產總額 | 222,300 | 104,556 |
| Deferred income tax liabilities: | 遞延所得稅負債: | | |
| – to be recovered after more than 12 months | – 將於12個月後收回 | (157,189) | (159,989) |
| – to be recovered within 12 months | – 將於12個月內收回 | (47,258) | (16,897) |
| | | (204,447) | (176,886) |
| Amount offset deferred tax liabilities | 抵銷遞延稅項負債的金額 | 54,195 | – |
| Total deferred tax liabilities | 遞延稅項負債總額 | (150,252) | (176,886) |

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20 DEFERRED INCOME TAX (Cont'd)

The gross movements of deferred income tax assets were as follows:

20 遞延所得稅 (續)

遞延所得稅資產的變動如下：

| | | Net impact of revenue and risk reserve fund recognition 收益及 風險儲備 基金確認 的淨影響 RMB'000 人民幣千元 | Advertising expenses 廣告開支 RMB'000 人民幣千元 | Tax losses 稅項虧損 RMB'000 人民幣千元 | Other temporary differences 其他 暫時差額 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---------------------------------|--|---|--|---|---------------------------------|
| As at 1 January 2017 | 於2017年1月1日 | 39,774 | 19,011 | 6,862 | 14,190 | 79,837 |
| Recognized in the profit or loss | 於損益確認 | 32,740 | (199) | (6,432) | (1,390) | 24,719 |
| As at 31 December 2017 | 於2017年12月31日 | 72,514 | 18,812 | 430 | 12,800 | 104,556 |
| Changes due to the adoption of IFRS 9 (Note 2.2.2) | 採納國際財務報告準則第9號 產生的變動(附註2.2.2) | 22,916 | — | — | — | 22,916 |
| Restated balance as at 1 January 2018 | 於2018年1月1日的經重列結餘 | 95,430 | 18,812 | 430 | 12,800 | 127,472 |
| As at 1 January 2018 | 於2018年1月1日 | 95,430 | 18,812 | 430 | 12,800 | 127,472 |
| Recognized in the profit or loss | 於損益確認 | (95,430) | (18,102) | 91,619 | 170,936 | 149,023 |
| As at 31 December 2018 | 於2018年12月31日 | — | 710 | 92,049 | 183,736 | 276,495 |

The gross movements of deferred income tax liabilities were as follows:

遞延所得稅負債的變動如下：

| | | Net impact of revenue and risk reserve fund recognition 收益及 風險儲備 基金確認 的淨影響 RMB'000 人民幣千元 | Unrealised profits from consolidated trust schemes 來自綜合 信託計劃的 未變現溢利 RMB'000 人民幣千元 | Unrealised investment gains 未變現 投資收益 RMB'000 人民幣千元 | Intangible assets acquired in business combination 於業務 合併中收購 的無形資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---------------------------------|--|---|--|---|---------------------------------|
| As at 1 January 2017 | 於2017年1月1日 | — | (3,142) | — | (1,740) | (4,882) |
| Acquisition of subsidiaries | 收購附屬公司 | — | — | — | (131,842) | (131,842) |
| Recognized in the profit or loss | 於損益確認 | — | (13,754) | (26,825) | 417 | (40,162) |
| As at 31 December 2017 | 於2017年12月31日 | — | (16,896) | (26,825) | (133,165) | (176,886) |
| Changes due to the adoption of IFRS 9 (Note 2.2.2) | 採納國際財務報告準則第9號 產生的變動(附註2.2.2) | — | 12,134 | — | — | 12,134 |
| Restated balance as at 1 January 2018 | 於2018年1月1日的經重列結餘 | — | (4,762) | (26,825) | (133,165) | (164,752) |
| As at 1 January 2018 | 於2018年1月1日 | — | (4,762) | (26,825) | (133,165) | (164,752) |
| Recognized in the profit or loss | 於損益確認 | (36,636) | (5,860) | 2,458 | 343 | (39,695) |
| As at 31 December 2018 | 於2018年12月31日 | (36,636) | (10,622) | (24,367) | (132,822) | (204,447) |

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21 PREPAYMENTS AND OTHER RECEIVABLES

21 預付款項及其他應收款項

| | | As at 31 December | |
|--|-----------------------|-------------------|----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Included in non-current assets: | 計入非流動資產： | | |
| Rental deposits | 租金按金 | 7,531 | – |
| Included in current assets: | 計入流動資產： | | |
| Deposits | 按金 | 112,775 | 183,354 |
| Receivable from payment organization | 支付機構應收款項 | 49,203 | 1,471 |
| Prepaid expense | 預付開支 | 45,023 | 48,245 |
| Withholding tax paid on behalf of grantees under employee incentive schemes | 代表僱員獎勵計劃承授人 支付的預扣稅 | 42,508 | – |
| Receivable from disposal of bad debts | 出售壞賬應收款項 | 23,100 | 710 |
| Receivables from shareholders | 應收股東款項 | – | 85,522 |
| Others | 其他 | 50,314 | 36,497 |
| | | 330,454 | 355,799 |

22 QUALITY ASSURANCE FUND PAYABLE AND RECEIVABLE

The following table sets forth the Group's quality assurance fund payable movements for the years ended 31 December 2018 and 2017:

22 應付及應收質量保證金

下表載列截至2018年及2017年12月31日止年度本集團應付質量保證金的變動：

| | | As at 31 December | |
|--|-------------------------|-------------------|------------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Opening balance | 期初結餘 | 1,767,210 | 706,612 |
| Changes on initial application of IFRS 9 | 初次應用國際財務報告準則 第9號時的變動 | (10,828) | – |
| Fair value of newly written quality assurance obligation | 新訂質量保證責任的公允價值 | 2,393,887 | 2,681,917 |
| ECL/Impairment loss (Note 12) | 預期信用損失／減值虧損(附註12) | 423,489 | – |
| Release of the margin (Note 12) | 解除保證金(附註12) | (178,537) | (210,898) |
| Payouts during the year, net | 年內開支淨額 | (2,870,600) | (1,410,421) |
| Ending balance | 期末結餘 | 1,524,621 | 1,767,210 |

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22 QUALITY ASSURANCE FUND PAYABLE AND RECEIVABLE

(Cont'd)

The following table sets forth the Group's quality assurance fund receivable movements for the years ended 31 December 2018 and 2017:

| | | As at 31 December | |
|--|---------------------|-------------------|-------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Opening balance | 期初結餘 | 1,407,981 | 576,921 |
| Changes on initial application of IFRS 9 | 初次應用國際財務報告準則第9號時的變動 | (46,960) | – |
| Fair value of newly written quality assurance obligation | 新訂質量保證責任的公允價值 | 2,393,887 | 2,681,917 |
| ECL/Impairment loss (Note 12) | 預期信用損失/減值虧損(附註12) | (100,902) | (247,485) |
| Contribution received from borrowers | 借款人所收出資 | (2,841,928) | (1,603,374) |
| Ending balance | 期末結餘 | 812,078 | 1,407,981 |

(a) The following table explains the changes in the loss allowance of quality assurance fund receivable by stage for the year ended 31 December 2018:

| | | Stage 1 | Stage 2 | Stage 3 | |
|----------------------------------|-------------|----------------|---------------|----------------|----------------|
| | | 第一階段 | 第二階段 | 第三階段 | |
| | | 12-month ECL | Lifetime ECL | Lifetime ECL | Total |
| | | 十二個月 | 存續期 | 存續期 | |
| | | 預期信用損失 | 預期信用損失 | 預期信用損失 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Opening balance | 期初結餘 | 139,948 | 47,810 | 190,465 | 378,223 |
| Provisions | 撥備 | 34,375 | 6,451 | 250,622 | 291,448 |
| Reversal | 撥回 | (107,038) | (7,136) | (76,372) | (190,546) |
| Transfer | 轉移 | | | | |
| Transfer from Stage 1 to Stage 2 | 第一階段轉移至第二階段 | (5,158) | 5,158 | – | – |
| Transfer from Stage 1 to Stage 3 | 第一階段轉移至第三階段 | (22,333) | – | 22,333 | – |
| Transfer from Stage 2 to Stage 1 | 第二階段轉移至第一階段 | 493 | (493) | – | – |
| Transfer from Stage 2 to Stage 3 | 第二階段轉移至第三階段 | – | (14,898) | 14,898 | – |
| Transfer from Stage 3 to Stage 2 | 第三階段轉移至第二階段 | – | 35 | (35) | – |
| Ending balance | 期末結餘 | 40,287 | 36,927 | 401,911 | 479,125 |

22 應付及應收質量保證金(續)

下表載列截至2018年及2017年12月31日止年度本集團應收質量保證金的變動:

(a) 下表分階段說明截至2018年12月31日止年度應收質量保證金虧損撥備的變動:

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23 CONTRACT ASSETS/(LIABILITIES)

23 合約資產／（負債）

| | | As at 31 December | |
|--|-----------------|-------------------|-----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Contract assets | 合約資產 | 1,370,529 | 24,625 |
| Less: ECL allowance/Impairment allowance | 減：預期信用損失撥備／減值撥備 | (215,345) | (1,933) |
| Contract assets, net | 合約資產淨值 | 1,155,184 | 22,692 |
| Contract liabilities | 合約負債 | (47,514) | (49,714) |

The activity in the total ECL allowance for the years ended 31 December 2018 and 2017 consisted of the following:

截至2018年及2017年12月31日止年度，預期信用損失撥備活動包括下列各項：

| | | As at 31 December | |
|--|---------------------|-------------------|----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Beginning balance | 期初結餘 | (1,933) | (103) |
| Changes on initial application of IFRS 9 | 初次應用國際財務報告準則第9號時的變動 | (776) | — |
| ECL allowance for the year | 年內預期信用損失撥備 | (212,636) | (1,830) |
| Ending balance | 期末結餘 | (215,345) | (1,933) |

Note: The Group receives payments from borrowers over the term of the loan. Contract asset represents the Group's right to consideration in exchange for services that the Group has provided. A substantial majority of the Group's contract assets as at 31 December 2018 would be realized within the next twelve months as the weighted average term of the arrangements where the Group is not the loan originator were less than twelve months. The Group determined there is no significant financing component for its arrangements where the Group is not the loan originator.

附註：本集團在貸款期限內收到借款人付款。合約資產指本集團有權收取以換取本集團所提供服務的代價。由於本集團並非貸款發放者的安排的加權平均期限少於十二個月，本集團於2018年12月31日的絕大部分合約資產將於未來十二個月內變現。本集團認為，就本集團並非貸款發放者的安排而言，並無重大融資成分。

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24 TRADE RECEIVABLES

24 貿易應收款項

| | | As at 31 December | |
|--|------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Loan referral and credit card technology service receivables | 信貸介紹及信用卡科技服務應收款項 | 142,053 | 56,599 |
| Others | 其他 | 7,860 | 3,358 |
| | | 149,913 | 59,957 |
| ECL allowance/Impairment allowance | 預期信用損失撥備/減值撥備 | (346) | — |
| | | 149,567 | 59,957 |

The activity in the total ECL allowance for trade receivables as at 31 December 2018 and 2017 consisted of the following:

於2018年及2017年12月31日，貿易應收款項的預期信用損失撥備總額活動包括下列各項：

| | | As at 31 December | |
|--|---------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Beginning balance | 期初結餘 | — | — |
| Changes on initial application of IFRS 9 | 初次應用國際財務報告準則第9號時的變動 | (76) | — |
| ECL allowance for the year | 年內預期信用損失撥備 | (270) | — |
| Ending balance | 期末結餘 | (346) | — |

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24 TRADE RECEIVABLES (Cont'd)

Aging analysis of trade receivables based on invoice date is as follows:

| | | As at 31 December | |
|-------------------|-------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 30 days | 30天內 | 110,784 | 55,817 |
| More than 30 days | 超過30天 | 38,783 | 4,140 |
| | | 149,567 | 59,957 |

24 貿易應收款項 (續)

貿易應收款項基於發票日期的賬齡分析如下：

25 LOANS TO CUSTOMERS, NET

25 客戶貸款淨額

| | | 31 December 2017 | 31 December 2018 | | | |
|---|--------------------------------------|---------------------|------------------|---------|-----------|-----------|
| | | 2017年 12月31日 | 2018年12月31日 | | | |
| | | | ECL staging | | | |
| | | | 預期信用損失階段 | | | |
| | | | Stage 1 | Stage 2 | Stage 3 | Total |
| | | | 第一階段 | 第二階段 | 第三階段 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Loans | 貸款 | 1,050,759 | 177,340 | 2,023 | 201,709 | 381,072 |
| Less: Impairment allowance under IAS 39 | 減：國際會計準則第39 號下的減值撥備 | (101,772) | - | - | - | - |
| Expected credit impairment allowance under IFRS 9(a) | 國際財務報告 準則第9號下的 預期信用損失撥 備(a) | - | (1,256) | (807) | (193,713) | (195,776) |
| Loans to customers, net | 客戶貸款淨額 | 948,987 | 176,084 | 1,216 | 7,996 | 185,296 |

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25 LOANS TO CUSTOMERS, NET (Cont'd)

- (a) The following table explains the aging of loans to customers past due for the past year ended 31 December 2018 and 2017:

| | | Overdue days 逾期日數 | | | |
|-------------------------------|---------------------|---|--|--|--|
| | | Less than 30 days 少於30天 RMB'000 人民幣千元 | 30 days to 90 days 30天至90天 RMB'000 人民幣千元 | 90 days to 180 days 90天至180天 RMB'000 人民幣千元 | Over 180 days 180天以上 RMB'000 人民幣千元 |
| As at 31 December 2018 | 於2018年12月31日 | | | | |
| Loans to customers past due | 已逾期的客戶貸款 | 2,023 | 4,854 | 11,219 | 185,636 |
| As at 31 December 2017 | 於2017年12月31日 | | | | |
| Loans to customers past due | 已逾期的客戶貸款 | 26,211 | 22,514 | 81,838 | 5,482 |

25 客戶貸款淨額 (續)

- (a) 下表說明截至2018年及2017年12月31日止年度逾期客戶貸款的賬齡：

- (b) The activity in the total ECL allowance/impairment allowance for the years ended 31 December 2017 and 2018 consisted of the following:

- (b) 截至2017年及2018年12月31日止年度，預期信用損失準備／減值準備總額活動包括下列各項：

| | | Stage 1 第一階段 | Stage 2 第二階段 | Stage 3 第三階段 | Total 總計 |
|----------------------------------|--------------|--|---|---|------------------|
| | | 12-month ECL 十二個月預期 信用損失 RMB'000 人民幣千元 | Lifetime ECL 持續期預期 信用損失 RMB'000 人民幣千元 | Lifetime ECL 持續期預期 信用損失 RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Opening balance | 期初結餘 | 31,244 | 9,202 | 61,326 | 101,772 |
| Change of IFRS 9 | 國際財務報告第9號的變動 | 14,901 | 4,388 | 29,246 | 48,535 |
| Provisions | 撥備 | 1,216 | 492 | 87,100 | 88,808 |
| Reversal | 撥回 | (32,204) | (1,050) | (10,085) | (43,339) |
| Transfer | 轉移 | | | | |
| Transfer from Stage 1 to Stage 2 | 第一階段轉移至第二階段 | (910) | 910 | — | — |
| Transfer from Stage 1 to Stage 3 | 第一階段轉移至第三階段 | (13,028) | — | 13,028 | — |
| Transfer from Stage 2 to Stage 1 | 第二階段轉移至第一階段 | 37 | (37) | — | — |
| Transfer from Stage 2 to Stage 3 | 第二階段轉移至第三階段 | — | (13,136) | 13,136 | — |
| Transfer from Stage 3 to Stage 2 | 第三階段轉移至第二階段 | — | 38 | (38) | — |
| Ending balance | 期末結餘 | 1,256 | 807 | 193,713 | 195,776 |

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25 LOANS TO CUSTOMERS, NET (Cont'd)

(b) (Cont'd)

As at 31 December 2018 and 2017, these loans are primarily personal loans made to individual borrowers through the consolidated trusts and a subsidiary of the Group. The interest rates of these loans ranged between 17.04% to 32.99% for the year ended 31 December 2018 (2017: 14.00% to 29.00%).

Set out below are the summarized financial information for the consolidated trusts included in the consolidated financial statements.

25 客戶貸款淨額 (續)

(b) (續)

於2018年及2017年12月31日，該等貸款主要為通過綜合信託及本集團的附屬公司向個人借款人發放的個人貸款。截至2018年12月31日止年度，該等貸款的利率介乎17.04%至32.99%（2017年：14.00%至29.00%）。

下文載列計入綜合財務報表的綜合信託的財務資料概要。

| | | Year ended 31 December | |
|---|---------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest income of loans to customers | 客戶貸款的利息收入 | 88,375 | 163,515 |
| Interest expenses to trust senior tranche holders | 信託優先級持有人的利息開支 | 44,640 | 43,993 |
| ECL/Impairment loss | 預期信用損失／減值虧損 | 51,650 | 41,941 |
| | | As at 31 December | |
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash and cash equivalents | 現金及現金等價物 | 76,923 | 150,224 |
| Loans to customers, net | 客戶貸款淨額 | 183,341 | 859,430 |
| Payable to trust senior tranche holders | 應付信託優先級持有人款項 | 209,500 | 950,000 |

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26 CASH AND BANK BALANCES

(a) Cash and cash equivalents

| | | As at 31 December | |
|------------------|---------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash at bank (i) | 銀行現金(i) | 1,206,172 | 1,258,446 |

Cash in bank includes cash in trust schemes of approximately RMB76,923,000 and RMB150,224,000 as at 31 December 2018 and 2017, respectively.

銀行現金包括於2018年及2017年12月31日信託計劃中的現金，分別為約人民幣76,923,000元及人民幣150,224,000元。

(b) Restricted cash

| | | As at 31 December | |
|---|------------------|-------------------|------------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash held on behalf of investors through platform (i) | 通過平台代投資者持有的現金(i) | 779,097 | 686,583 |
| Cash restricted for equity investment (ii) | 股本投資的受限制現金(ii) | – | 417,545 |
| Cash in quality assurance fund (iii) | 質量保證金中的現金(iii) | 274,691 | 303,363 |
| Deposit of foreign exchange contracts (iv) | 外匯合約保證金(iv) | 3,000 | – |
| | | 1,056,778 | 1,407,491 |

(i) Cash held on behalf of investors through platform as at 31 December 2018 mainly represented the cash in custody account with Bank of Beijing to hold user's fund.

(ii) The balance as at 31 December 2017 represented cash used for the acquisition of Kaizhuo Technology.

(iii) Cash in quality assurance fund is cash managed by the Group for the default payouts. There is no other use of these funds except for making payments to investors for default loans that are subject to quality assurance fund.

(iv) The balance represents cash transferred to restricted accounts for the purpose of purchasing foreign exchange contracts, which will be released upon the settlement of the related contracts.

26 現金及銀行結餘

(a) 現金及現金等價物

(b) 受限制現金

(i) 於2018年12月31日，通過平台代投資者持有的現金主要為北京銀行託管賬戶內持有的用戶資金的現金。

(ii) 於2017年12月31日的餘額為用於收購開卓科技的現金。

(iii) 質量保證金中的現金為本集團就違約金管理的現金。除就受質量保證金保障的違約貸款向投資者作出付款外，該等資金概無其他用途。

(iv) 餘額為轉入用於購買外匯合約的受限制賬戶的現金，該等現金將於結算相關合約時獲解除。

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26 CASH AND BANK BALANCES (Cont'd) (c) Term deposits

26 現金及銀行結餘 (續) (c) 定期存款

| | | As at 31 December | |
|---|----------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Term deposits with initial term over three months | 初步期限超過三個月的定期存款 | 6,000 | 5,000 |

27 SHARE CAPITAL, SHARES PREMIUM AND SHARE HELD FOR EMPLOYEE INCENTIVE SCHEMES

27 股本、股份溢價及就僱員獎勵計劃持有的股份

| | | Number of shares | Share capital | Share capital | Share premium | Shares held for employee incentive schemes |
|---|----------------------------------|------------------|---------------|---------------|---------------|--|
| | | 股份數目 | 股本 | 股本 | 股份溢價 | 持作僱員獎勵計劃的股份 |
| | | | US\$'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | 美元千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| As at 1 January 2017 | 於2017年1月1日 | | | | | |
| Issuance of ordinary shares | 發行普通股 | 170,374,000 | 2 | 11 | 33,134 | – |
| Issuance of shares held for employee incentive schemes | 發行持作僱員獎勵計劃的股份 | 127,445,000 | 1 | 9 | – | (9) |
| As at 31 December 2017 | 於2017年12月31日 | 297,819,000 | 3 | 20 | 33,134 | (9) |
| As at 1 January 2018 | 於2018年1月1日 | 297,819,000 | 3 | 20 | 33,134 | (9) |
| Issuance of ordinary shares upon IPO and partial exercise of over-allotment option, net of issuance costs (a) | 於首次公開發售及部分行使超額配股權發行普通股·扣除發行成本(a) | 126,102,000 | 1 | 8 | 893,986 | – |
| Conversion of preferred shares to ordinary shares (a) | 優先股轉換為普通股(a) | 683,548,000 | 7 | 46 | 4,951,374 | – |
| Issuance of shares held for employee incentive schemes (b) | 發行持作僱員獎勵計劃的股份(b) | 86,956,522 | 1 | 5 | – | (5) |
| As at 31 December 2018 | 於2018年12月31日 | 1,194,425,522 | 12 | 79 | 5,878,494 | (14) |

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27 SHARE CAPITAL, SHARES PREMIUM AND SHARES HELD FOR EMPLOYEE INCENTIVE SCHEMES (Cont'd)

- (a) The Company issued 126,102,000 ordinary shares at par value of US\$0.00001 upon its completion of IPO on 13 July 2018 and partial exercise of the over allotment option on 10 August 2018. In the meantime, 654,913,000 preferred shares and 28,635,000 Class B ordinary shares have been converted to ordinary shares.
- (b) The Company issued 86,956,522 ordinary shares to 51 Award Limited and 51 Stock Limited which are established for the purpose of administering and holding the Company's shares for employee incentive schemes.

27 股本、股份溢價及就僱員獎勵計劃持有的股份(續)

- (a) 本公司於2018年7月13日完成首次公開發售及於2018年8月10日部分行使超額配股權按面值0.00001美元發行126,102,000股普通股。同時，654,913,000股優先股及28,635,000股B類普通股已轉換為普通股。
- (b) 本公司向51 Award Limited及51 Stock Limited(均為管理及持有本公司的僱員獎勵計劃的股份而成立)發行86,956,522股普通股。

28 RESERVES

28 儲備

| | | Other reserve | Share-based Compensation reserve | Translation reserve | Total |
|---|---------------------------------|---------------|----------------------------------|---------------------|-----------|
| | | 其他儲備 | 以股份為基礎的薪酬儲備 | 換算儲備 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| As at 1 January 2017 | 於2017年1月1日 | 5,125 | 98,506 | (165,411) | (61,780) |
| Exercise of warrants | 行使認股權證 | (294,454) | – | – | (294,454) |
| Share incentive awarded under employee incentive schemes | 僱員獎勵計劃項下授出的股份獎勵 | – | 43,900 | – | 43,900 |
| Ordinary share transferred to Class B ordinary share | 普通股轉換為B類普通股 | (103) | – | – | (103) |
| Currency translation differences | 貨幣換算差額 | – | – | 98,004 | 98,004 |
| As at 31 December 2017 | 於2017年12月31日 | (289,432) | 142,406 | (67,407) | (214,433) |
| As at 1 January 2018 | 於2018年1月1日 | (289,432) | 142,406 | (67,407) | (214,433) |
| Conversion of convertible bonds transferred to shares of a subsidiary | 一家子公司的可換股債券轉撥至股份 | 30,893 | – | – | 30,893 |
| Change in fair value attributable to change in the credit risk of other financial liabilities at FVPL | 按公允價值計入損益的其他金融負債信用風險變動導致的公允價值變動 | – | – | (517) | (517) |
| Change in fair value attributable to change in the credit risk of preferred share | 優先股信用風險變動導致的公允價值變動 | – | – | (16,990) | (16,990) |
| Share incentive awarded under employee incentive schemes | 僱員獎勵計劃項下授出的股份獎勵 | – | 204,920 | – | 204,920 |
| Currency translation differences | 貨幣換算差額 | – | – | (61,323) | (61,323) |
| As at 31 December 2018 | 於2018年12月31日 | (258,539) | 347,326 | (146,237) | (57,450) |

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29 SHARE-BASED PAYMENTS

The Company has adopted 51 Award Scheme and 51 Stock Scheme ("Employee Incentive Schemes") to provide options and RSUs to employees and senior management as an additional incentives for the purposes of attracting and retaining the best available personnel. The majority of the options and RSUs vest 50% at the second service year end and 25% at the third and fourth service year end.

The Company has set up two structured entities, namely 51 Award Limited and 51 Stock Limited, which are solely for the purpose of administering and holding the Company's shares for the Employee Incentive Schemes. As at 31 December 2018, the Company issued 214,401,522 ordinary shares to 51 Award Limited and 51 Stock Limited at a par value of US\$0.00001 each, being the ordinary shares underlying the Company's Employee Incentive Schemes. In addition, the Company entered into a trust deed with an independent trustee (the "Trustee") in November 2017, pursuant to which the Trustee shall act as the administrator of the Company's Employee Incentive Schemes.

The Company has the power to direct the relevant activities of 51 Stock Limited and 51 Award Limited and it has the ability to use its power over the trusts to affect its exposure to returns. Therefore, the assets and liabilities of 51 Award Limited and 51 Stock Limited are included in the Group's consolidated statement of financial position and the ordinary shares held for the Company's Employee Incentive Schemes were regarded as issued but not outstanding shares and presented as a deduction in equity as "Shares held for employee incentive schemes".

The Group has no legal or constructive obligations to repurchase or settle the options in cash.

29 以股份為基礎的支付

本公司已採納51 Award Scheme及51 Stock Scheme (「僱員激勵計劃」)，以為僱員及高級管理層提供購股權及受限制股份單位作為額外獎勵，以吸引及挽留優秀人才。大部分購股權及受限制股份單位於第二個服務年度年末歸屬50%及於第三及第四個服務年度年末歸屬25%。

本公司已設立兩個結構實體，即51 Award Limited及51 Stock Limited，僅為管理及持有本公司的僱員激勵計劃所涉股份。於2018年12月31日，本公司按面值每股0.00001美元向51 Award Limited及51 Stock Limited發行214,401,522股普通股，即本公司僱員激勵計劃的相關普通股數目。此外，本公司於2017年11月與一名獨立受託人(「受託人」)訂立信託契據，據此受託人將擔任本公司僱員激勵計劃的管理人。

本公司有權指示51 Stock Limited及51 Award Limited的相關業務，且其有能力使用其對信託的權力影響其回報風險。因此，51 Award Limited及51 Stock Limited的資產及負債計入本集團的綜合財務狀況表，且就本公司僱員激勵計劃持有的普通股被視作已發行但並非發行在外的股份並呈列為「持作僱員激勵計劃的股份」權益扣減。

本集團並無以現金購回或結算購股權的法定或推定義務。

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29 SHARE-BASED PAYMENTS (Cont'd)

- (a) Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

| | | 2018 | 2018 | 2017 | 2017 |
|---------------------------------------|-------------|--------------|-------------------------------|-------------|-------------------------------|
| | | Number | Weighted Average price in RMB | Number | Weighted Average price in RMB |
| | | 數目 | 人民幣加權平均價 | 數目 | 人民幣加權平均價 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Outstanding at 1 January | 於1月1日尚未行使 | 83,904,938 | 0.81 | 35,459,140 | 0.94 |
| Granted during the year | 年內已授出 | 65,819,732 | 4.52 | 55,129,778 | 0.81 |
| Forfeited and expired during the year | 年內已沒收及屆滿 | (10,172,615) | 2.01 | (6,683,980) | 1.35 |
| Outstanding at 31 December | 於12月31日尚未行使 | 139,522,055 | 2.40 | 83,904,938 | 0.81 |
| Vested at 31 December | 於12月31日已歸屬 | 36,260,466 | 0.69 | 21,627,730 | 0.59 |

Based on the fair value of the underlying ordinary share, the Company has used Binomial option-pricing model to determine the fair values of the share options as at the grant dates. Key assumptions used for the valuation are set as below:

基於相關普通股的公允價值，本公司已採用二項式購股權定價模式釐定購股權於授出日期的公允價值。估值使用的主要假設載列如下：

| | | Year ended 31 December | |
|-------------------------|-------|------------------------|---------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| Risk-free interest rate | 無風險利率 | 2.19% | 1.93%-2.02% |
| Volatility | 波幅 | 38.6% | 32.72%-33.49% |
| Dividend yield | 股息收益率 | — | — |

The Company estimated the risk-free interest rate based on the yield of US Treasury bond and China Government bond with a maturity life equal to the option life of the share option. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option. Dividend yield is based on management estimation at the grant date.

本公司根據到期年限與購股權年期相等的美國國債及中國政府債券的收益率估計無風險利率。波幅乃於授出日期根據期限與購股權到期期限相若的可比較公司的平均過往波幅而估計。股息收益率乃根據管理層於授出日期的估計釐定。

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29 SHARE-BASED PAYMENTS (Cont'd)

- (b) Movements in the number of RSUs during the years ended 31 December 2017 and 2018 are as follows:

29 以股份為基礎的支付 (續)

- (b) 截至2017年及2018年12月31日止年度的受限制股份單位數目的變動如下：

| | | Number of RSUs 受限制股份 單位數目 |
|--|--------------------|---------------------------------|
| Outstanding balance as at 1 January 2017 | 於2017年1月1日年的未行使結餘 | 40,354,080 |
| Vested | 已歸屬 | (12,279,893) |
| Forfeited | 已沒收 | (5,334,860) |
| Outstanding balance as at 31 December 2017 | 於2017年12月31日的未行使結餘 | 22,739,327 |
| Vested | 已歸屬 | (3,024,515) |
| Forfeited | 已沒收 | (9,739,250) |
| Outstanding balance as at 31 December 2018 | 於2018年12月31日的未行使結餘 | 9,975,562 |

The fair value of each RSUs at the grant dates were determined by reference to the market price of the ordinary share of the Company.

於授出日期各受限制股份單位的公允價值乃經參考本公司普通股的市價釐定。

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30 PREFERRED SHARES

The preferred shares and Class B ordinary shares have converted to ordinary shares upon the Company's completion of the IPO on 13 July 2018.

The movement of the preferred shares is set out as below:

30 優先股

本公司於2018年7月13日完成首次公開發售時，優先股及B類普通股已轉換為普通股。

優先股的變動載列如下：

| | | RMB'000 人民幣千元 |
|--|-----------------------------------|------------------|
| At 1 January 2017 | 於2017年1月1日 | 4,105,301 |
| Execution of warrants by Series C preferred shareholders | C系列優先股股東行使認股權證 | 801,139 |
| Redemption of preferred shares | 贖回優先股 | (32,396) |
| Extinguishment of Series A1, Series A2, Series B, Series B1 and Series C preferred shares | 清償A1系列、A2系列、B系列、B1系列及C系列優先股 | (6,607,410) |
| Issuance of Class B ordinary shares, Series A1, Series A2, Series B, Series B1 and Series C preferred shares | 發行B類普通股、A1系列、A2系列、B系列、B1系列及C系列優先股 | 6,367,343 |
| Ordinary shares transferred to Class B ordinary shares of reorganization | 普通股轉至重組的B類普通股 | 19,135 |
| Changes in fair value of preferred shares | 優先股公允價值變動 | 2,260,930 |
| Currency translation differences | 貨幣換算差額 | (98,782) |
| At 31 December 2017 | 於2017年12月31日 | 6,815,260 |
| At 1 January 2018 | 於2018年1月1日 | 6,815,260 |
| Changes in fair value of preferred shares | 優先股公允價值變動 | (1,942,221) |
| Change in fair value attributable to change in the credit risk of preferred shares | 優先股信用風險變動應佔的公允價值變動 | 16,990 |
| Currency translation differences | 貨幣換算差額 | 61,391 |
| Conversion to ordinary shares (Note 27) | 轉換為普通股(附註27) | (4,951,420) |
| At 31 December 2018 | 於2018年12月31日 | - |

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31 BORROWINGS

31 借款

| | | As at 31 December | |
|--|-----------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At amortized cost | 按攤銷成本計 | | |
| Short-term borrowings: | 短期借款： | | |
| Bank borrowings (a) – unsecured | 銀行借款(a)–無擔保 | 189,900 | 130,000 |
| Other borrowings – secured and unsecured | 其他借款–有擔保及無擔保 | – | 127,057 |
| | | 189,900 | 257,057 |
| Long-term borrowings: | 長期借款： | | |
| Bank borrowings (b) – secured | 銀行借款(b)–有擔保 | 56,116 | 51,661 |
| Other borrowings (c) – secured and unsecured | 其他借款(c)–有擔保及無擔保 | 356,986 | 384,535 |
| | | 413,102 | 436,196 |
| Borrowing by repayment schedule: | 按還款計劃劃分的借款： | | |
| Within 1 year | 一年內 | 189,900 | 257,057 |
| 1 year to 2 years | 一年至二年 | 34,056 | 9,767 |
| 2 years to 5 years | 二年至五年 | 365,850 | 403,720 |
| 5 years to 8 years | 五年至八年 | 13,196 | 22,709 |
| | | 603,002 | 693,253 |

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綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

31 BORROWINGS (Cont'd)

- (a) As at 31 December 2018, Enniu Network had 6 short-term loans with the total borrowing amount of RMB170,000,000. Loans are guaranteed by Sun Haitao, the Chairman and CEO of the Company with fixed interest rates ranging from 6.5250% to 8.0000% per annum (31 December 2017: 7.2%).

As at 31 December 2018, Enniu Network had a long-term loan with the total borrowing amount of RMB30,000,000, of which the amount of RMB10,000,000 will be expired within one year (2017: nil).

As at 31 December 2018, Shangniu Information had a short-term loan with the borrowing amount of RMB9,900,000. (2017: nil) The loan is guaranteed by Enniu Network and Sun Haitao with the fixed interest rate of 4.7900% (2017: nil) per annum.

- (b) In August 2017, the Group borrowed a loan of RMB53,000,000 from Bank of Hangzhou. The loan bears interest at the annual rate of 115% of the five-year loan benchmark rate of the People's Bank of China. The loan is repayable in eight years from the borrowing date and is guaranteed by Sun Haitao and pledged by the building of Enniu Network. The borrowing amount of RMB1,339,000 was repaid in 2017 and the amount of RMB5,545,000 was repaid in 2018.

In January 2018, the Group borrowed a loan of RMB30,000,000 from Bank of Hangzhou with the fixed rate of 6.2541% per annum. The loan is repayable in three years from the borrowing date and is guaranteed by Sun Haitao and pledged by the 49.61% equity interests of Juece held by the Group.

The borrowing amount of RMB10,000,000 was early repaid in December 2018 and the amount of RMB10,000,000 will be repaid within one year and was classified in short-term borrowing. The remaining amount of RMB10,000,000 will be repaid in the year of 2020.

31 借款 (續)

- (a) 於2018年12月31日，恩牛網絡擁有六筆短期貸款，總借貸金額為人民幣170,000,000元。貸款由本公司主席兼行政總裁孫海濤擔保，固定利率每年介乎6.5250%至8.0000%（2017年12月31日：7.2%）。

於2018年12月31日，恩牛網絡擁有一筆長期貸款，總借貸金額為人民幣30,000,000元，其中人民幣10,000,000元將於一年內到期（2017年：無）。

於2018年12月31日，尚牛信息擁有一筆短期貸款，借貸金額為人民幣9,900,000元（2017年：無）。貸款由恩牛網絡及孫海濤擔保，固定利率為每年4.7900%（2017年：無）。

- (b) 於2017年8月，本集團向杭州銀行借貸人民幣53,000,000元。貸款利息按中國人民銀行五年期貸款基準利率的115%的年利率計算。該貸款須於借款日期起八年內償還，由孫海濤擔保及由恩牛網絡的樓宇作抵押。借款金額人民幣1,339,000元已於2017年償還及金額人民幣5,545,000元已於2018年償還。

於2018年1月，本集團向杭州銀行借貸人民幣30,000,000元，固定利率為每年6.2541%。貸款須自借貸日期起計三年內償還，由孫海濤擔保及以本集團持有的決策的49.61%股權作抵押。

借款金額人民幣10,000,000元已於2018年12月提早償還及金額人民幣10,000,000元將於一年內償還並獲分類為短期借款。餘額人民幣10,000,000元將於2020年償還。

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31 BORROWINGS (Cont'd)

- (c) The borrowing amount of approximately RMB11,986,000 was assumed by the Group through the acquisition of Netcom in July 2017. This borrowing is the financial liability component bifurcated from the convertible bond issued by Netcom and is accounted using annual effective interest rate of 14.61% with a ten-year payment term from August 2010. In January 2018, the convertible bond at par value of HK\$50,000,000 was converted to the ordinary shares of Netcom.

In May 2017, Enniu Network, together with Shenzhen Tiantu Xingneng Investments (Limited Partnership) ("Tiantu Xingneng") and China Merchants Securities Asset Management Co., Ltd. ("CMS AM"), set up Hangzhou Shangniu Investment Management Partnership (Limited Partnership). In November and December 2017, Enniu Network entered into the repurchase agreements with Tiantu Xingneng and CMS AM that Enniu Network will repurchase all the shares contributed by Tiantu Xingneng and CMS AM in four years with fixed interest rate of 8% and 8.035% per annum respectively.

The shares amounting to RMB25,000,000 and RMB320,000,000 contributed by Tiantu Xingneng and CMS AM respectively are deemed as borrowing. The borrowings were pledged by the ordinary shares of Kaizhuo Technology held by the Group. The borrowing amount of RMB320,000,000 by CMS AM was also guaranteed by Sun Haitao.

31 借款 (續)

- (c) 借款款項約人民幣11,986,000元乃由本集團透過於2017年7月收購中彩網通承擔。該借款為自中彩網通發行的可換股債券中分離出來的金融負債部分，使用實際年利率14.61%入賬，付款期為自2010年8月起十年。於2018年1月，面值為50,000,000港元的可換股債券被轉換為中彩網通的普通股。

於2017年5月，恩牛網絡連同Shenzhen Tiantu Xingneng Investments (Limited Partnership) (「Tiantu Xingneng」)及招商證券資產管理有限公司(「招證資管」)成立杭州商牛投資管理合夥企業(有限合夥)。於2017年11月及12月，恩牛網絡與Tiantu Xingneng及招證資管訂立購回協議，恩牛網絡將分別按固定年利率8%及8.035%於四年內購回Tiantu Xingneng及招證資管出資的全部股份。

Tiantu Xingneng及招證資管分別出資的股份人民幣25,000,000元及人民幣320,000,000元被視為借款。借款由本集團所持開卓科技的普通股作抵押。由招證資管借貸的借款金額人民幣320,000,000元亦由孫海濤擔保。

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32 TRADE AND OTHER PAYABLES

32 貿易及其他應付款項

| | | As at 31 December | |
|---|------------------|-------------------|----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Payables for equity investments (a) | 股權投資應付款項(a) | 218,329 | 507,168 |
| Payroll and welfare payable | 應付工資及福利 | 115,519 | 145,453 |
| Online promotion marketing expenses payable | 網絡推廣營銷應付款項 | 80,863 | 31,648 |
| Payable to settlement banks | 應付收單銀行款 | 74,847 | – |
| Trade payables (b) | 貿易應付款項(b) | 30,197 | 33,778 |
| Other tax payable | 其他應付稅項 | 19,460 | 62,299 |
| Payable on behalf of credit card users | 代表信用卡用戶應付款項 | 8,670 | 22,029 |
| Payable to related parties (Note 34(e)) | 應付關聯方款項(附註34(e)) | 3,951 | 73,854 |
| Listing fee payables | 應付上市費用 | 3,431 | 9,472 |
| Deposit payables (c) | 應付按金(c) | 1,965 | 4,429 |
| Payable on behalf of users of payment company | 代表支付公司用戶應付款項 | – | 8,131 |
| Others | 其他 | 67,376 | 65,090 |
| | | 624,608 | 963,351 |

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綜合財務報表附註

For the year ended 31 December 2018

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32 TRADE AND OTHER PAYABLES (Cont'd)

- (a) Payables for equity investments primarily represent the cash consideration due to the counterparties of equity transactions in connection with the acquisition of Kaizhuo Technology.
- (b) Trade payables represent payables of fund transfer charges and collection service charges.

The aging analysis of trade payables based on invoice date is as below:

| | | As at 31 December | |
|-----------------|-----------|-------------------|---------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 30 days | 30日內 | 22,831 | 22,613 |
| 30 to 90 days | 30日至90日 | 7,298 | 11,165 |
| 90 to 180 days | 90日至180日 | 43 | – |
| 180 to 360 days | 180日至360日 | 25 | – |
| | | 30,197 | 33,778 |

- (c) Deposit payables primarily represent credit facilitation deposit received from other lending platforms when the Group introduced investors to other lending platforms.

32 貿易及其他應付款項 (續)

- (a) 股權投資應付款項主要指就收購開卓科技應付股權交易對手方的現金代價。
- (b) 貿易應付款項指資金手續費及回收服務收費的應付款項。

基於發票日期的貿易應付款項賬齡分析載列如下：

- (c) 應付按金主要指當本集團向其他借貸平台引介投資者時，向其他借貸平台收取的信貸撮合按金。

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綜合財務報表附註

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33 FINANCIAL LIABILITIES AT FVPL

33 按公允價值計入損益的金融負債

| | | As at 31 December | |
|-------------------------------|--------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Financial liabilities at FVPL | 按公允價值計入損益的 金融負債 | 70,529 | 168,460 |
| | | 70,529 | 168,460 |

In December 2017, the Group acquired 100% shares of Kaizhuo Technology from independent third parties for cash consideration and issuance of certain shares of the Company. As at 31 December 2018, the issuance of shares had not been completed.

於2017年12月，本集團以現金代價及發行若干本公司股份向獨立第三方收購開卓科技的100%股份。於2018年12月31日，股份發行尚未完成。

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綜合財務報表附註

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34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

Relationship and details of transactions between the Group and other related parties are disclosed below:

34 關聯方交易

倘一方有能力直接或間接控制另一方或對另一方的財務及經營決策行使重大影響力，均被視為關聯方。倘彼等受共同控制，亦被視為關聯方。本集團主要管理層成員及彼等近親亦被視作關聯方。

本集團與其他關聯方的關係及交易詳情披露如下：

| Name of the major related parties 主要關聯方名稱 | Relationship with the Group 與本集團的關係 |
|---|---|
| Sun Haitao 孫海濤 | CEO, director of the Company 本公司行政總裁、董事 |
| Zou Yunli 鄒雲麗 | Director of the Company 本公司董事 |
| Yang Yuzhi 楊宇智 | Director of the Company 本公司董事 |
| Zhao Ke 趙軻 | Director of the Company 本公司董事 |
| Wang Zhaocheng 王朝成 | Director of the Company 本公司董事 |
| Wong Ti 汪棣 | Director of the Company 本公司董事 |
| Ye Xiang 葉翔 | Director of the Company 本公司董事 |
| Anniu Technology 安牛科技 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Beijing Hao Duoshu Data Technology Co., Ltd. 北京好多數數據科技有限責任公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Beijing Juece Xincheng Technology Co., Ltd. 北京決策信誠科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Shanghai Xunhou Human Resource Co., Ltd. 上海勳厚人力資源有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Hangzhou Ren Junxing Technology Co., Ltd. 杭州任君行科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |

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34 RELATED PARTY TRANSACTIONS (Cont'd)

34 關聯方交易 (續)

| Name of the major related parties 主要關聯方名稱 | Relationship with the Group 與本集團的關係 |
|---|---|
| Zhejiang Qianli Technology Co., Ltd. 浙江錢粒科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Zhejiang Digu Information Technology Co., Ltd (formerly known as Hangzhou Digu Financial Services Outsourcing Co., Ltd) 浙江祇固信息技術有限公司 (原名杭州祇固金融服務外包有限公司) | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Shanghai Qiancheng Network Technology Co., Ltd. 上海淺橙網絡科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Zhejiang Zhongma Technology Co., Ltd. 浙江眾馬科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Hangzhou Zaodao Technology Co., Ltd. 杭州早稻科技有限公司 | Investee over which the Group has significant influence 受本集團重大影響的被投資公司 |
| Tianjin Kaniu Enterprise Management Consulting Partnership (Limited Partnership) 天津卡牛企業管理諮詢合夥企業(有限合夥) | Controlled by key management 受主要管理層控制 |
| Hangzhou Yanniu Technology Co., Ltd 杭州言牛科技有限公司 | Significantly influenced by key management 受主要管理層重大影響 |

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34 RELATED PARTY TRANSACTIONS (Cont'd)

The following transactions were carried out between the Group and its related parties during the year ended 31 December 2018. In the opinion of the directors of the Company, the related party transactions were carried out in the ordinary course of business and at terms negotiated between the Group and the respective related parties.

Save as disclosed in elsewhere of these financial statements, the Group entered into the following related party transactions during the Reporting Period:

- (a) *Loan referral service income, credit card technology service income-recognized in revenue (before net of sales tax and related surcharges)*

34 關聯方交易 (續)

下列交易乃由本集團與其關聯方於截至2018年12月31日止年度進行。根據本公司董事意見，關聯方交易乃於一般業務過程中按本集團與各自關聯方協商的條款進行。

除本財務報表其他部分披露者外，本集團於報告期間訂立下列關聯方交易：

- (a) *於收益確認的信貸介紹服務收入、信用卡科技服務收入 (扣除銷售稅項及相關附加稅前)*

| | | Year ended 31 December | |
|--|----------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 14,304 | 26,583 |

- (b) *Origination and servicing expenses*

- (b) *辦理及服務開支*

| | | Year ended 31 December | |
|--|----------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 94 | 566 |

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34 RELATED PARTY TRANSACTIONS (Cont'd)

(c) Sales and marketing expenses

34 關聯方交易 (續)

(c) 銷售及營銷開支

| | | Year ended 31 December | |
|--|----------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 12,213 | 11,234 |

(d) Loans guaranteed by related parties

(d) 關聯方擔保的貸款

| | | As at 31 December | |
|---------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| The CEO | 行政總裁 | 566,017 | 807,888 |

(e) Balances with related parties

(e) 與關聯方的結餘

| | | As at 31 December | |
|--|----------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Trade receivables | 貿易應收款項 | | |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 4,387 | 2,117 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 200 | 1,520 |
| Trade and other payables | 貿易及其他應付款項 | | |
| Controlled by key management | 受主要管理層控制 | — | 69,990 |
| Investees over which the Group has significant influence | 受本集團重大影響的被投資公司 | 3,951 | 3,864 |
| | | 3,951 | 73,854 |

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34 RELATED PARTY TRANSACTIONS (Cont'd)

(f) Key management personnel compensations

Key management includes executive directors and senior management. The compensations paid or payable to key management for employee services are shown below:

34 關聯方交易 (續)

(f) 主要管理層人員薪酬

主要管理層包括執行董事及高級管理層。就其僱員服務已付或應付主要管理層的薪酬列示如下：

| | | Year ended 31 December | |
|--|------------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Wages, salaries and bonuses | 工資、薪金及花紅 | 7,687 | 9,143 |
| Pension costs-defined contribution plan | 退休金成本—界定供款計劃 | 335 | 252 |
| Other social security costs, housing benefits and other employee benefits | 其他社保成本、住房福利及 其他僱員福利 | 584 | 13,137 |
| Share-based compensation expenses | 以股份為基礎的薪酬開支 | 167,285 | 11,251 |
| | | 175,891 | 33,783 |

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綜合財務報表附註

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35 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from loss before income tax to cash generated from/(used in) operating activities:

35 綜合現金流量表附註

(a) 將除所得稅前虧損調節為經營活動所得/(所用)的現金:

| | | Year ended 31 December | |
|---|---------------------------|------------------------|--------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Profit/(loss) for the year | 年內溢利/(虧損) | 2,168,767 | (1,378,471) |
| Adjustments for: | 就以下各項進行調整: | | |
| Depreciation and amortization | 折舊及攤銷 | 66,433 | 29,654 |
| Fair value losses/(gains) on financial assets at FVPL | 按公允價值計入損益金融資產的公允價值虧損/(收益) | 3,911 | (191,706) |
| Fair value gain on financial liabilities at FVPL | 按公允價值計入損益金融負債的公允價值收益 | (98,448) | – |
| Fair value loss on foreign exchange contracts | 外匯合約的公允價值虧損 | (4,262) | 13,083 |
| Interest expenses charged by trust senior tranche holders | 信託優先級持有人收取的利息開支 | 44,640 | 43,993 |
| Share of net losses of associates accounted for using equity method | 使用權益法入賬的聯營公司應佔虧損淨額 | 1,302 | 1,465 |
| Gain on disposal of investments | 出售投資收益 | – | (260) |
| Share based compensation expenses | 以股份為基礎的薪酬開支 | 204,920 | 56,594 |
| Fair value (gain)/loss of preferred shares | 優先股公允價值(收益)/虧損 | (1,942,221) | 2,260,930 |
| Extinguishment gain of preferred shares | 優先股清償收益 | – | (242,462) |
| Dividend income from an investee | 來自被投資公司的股息收入 | (11,083) | – |
| Finance expenses | 財務開支 | 16,088 | 47,778 |
| ECL and quality assurance fund loss | 預期信用損失及質量保證金虧損 | 604,307 | 97,442 |
| | | (1,114,413) | 2,116,511 |
| Changes in operating assets and liabilities: | 經營資產及負債變動: | | |
| Increase in contract assets and trade receivables | 合約資產及貿易應收款項增加 | (1,435,936) | (47,719) |
| Decrease/(increase) in loans to customers | 客戶貸款減少/(增加) | 669,687 | (847,645) |
| Decrease/(increase) in prepayments and other receivables | 預付款項及其他應收款項減少/(增加) | (11,200) | (212,625) |
| (Decrease)/increase in trade and other payables | 貿易及其他應付款項(減少)/增加 | (51,331) | 179,591 |
| (Decrease)/increase in contract liabilities | 合約負債(減少)/增加 | (2,200) | 18,741 |
| Increase/(decrease) in taxes payables | 應付稅項增加/(減少) | (134,199) | 140,583 |
| | | (965,179) | (769,074) |
| Cash generated from/(used in) operating activities | 經營活動產生/(所用)的現金 | 89,175 | (31,034) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

35 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(b) Non-cash investing and financing activities

| | | As at 31 December | |
|---|-----------------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Payable for acquisition of a subsidiary | 收購附屬公司應付款項 | (228,736) | (586,769) |
| Financial liabilities to be issued for acquisition of a subsidiary | 就收購附屬公司將予發行金融負債 | 70,529 | – |
| Preferred shares to be issued for acquisition of a subsidiary | 就收購附屬公司將予發行優先股 | – | 168,460 |
| Receivable from issuance of convertible redeemable preferred shares | 發行可換股可贖回優先股應收款項 | – | 33,145 |

(c) Net Debt Reconciliation

An analysis of net debt and the movements in net debt for the years ended 31 December 2018 and 2017 are presented as follows:

Net Debt

35 綜合現金流量表附註 (續)

(b) 非現金投資及融資活動

| | | As at 31 December | |
|-----------------|--|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| 收購附屬公司應付款項 | | (228,736) | (586,769) |
| 就收購附屬公司將予發行金融負債 | | 70,529 | – |
| 就收購附屬公司將予發行優先股 | | – | 168,460 |
| 發行可換股可贖回優先股應收款項 | | – | 33,145 |

(c) 淨債務對賬

截至2018年及2017年12月31日止年度淨債務及淨債務變動的分析呈報如下：

淨債務

| | | As at 31 December | |
|--|---------------------|-------------------|--------------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash and cash equivalents | 現金及現金等價物 | 1,206,172 | 1,258,446 |
| Liquid investments | 短期投資 | 568,959 | 245,284 |
| Borrowings – repayable within one year | 借款 – 須於一年內償還 | (189,900) | (257,057) |
| Borrowings – repayable after one year | 借款 – 須於一年後償還 | (413,102) | (437,911) |
| Payable to trust senior tranche holders after one year | 須於一年後向信託優先級持有人支付 | (181,500) | (790,000) |
| Payable to preferred shareholders – repayable after one year | 應付優先股股東款項 – 須於一年後償還 | – | (6,815,260) |
| Net debt | 淨債務 | 990,629 | (6,796,498) |
| Cash and liquid investments | 現金及短期投資 | 1,775,131 | 1,503,730 |
| Gross debt – fixed interest rates | 總債務 – 固定利率 | (784,502) | (8,248,567) |
| Gross debt – variable interest rates | 總債務 – 浮動利率 | – | (51,661) |
| Net debt | 淨債務 | 990,629 | (6,796,498) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

35 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(c) Net Debt Reconciliation

35 綜合現金流量表附註 (續)

(c) 淨債務對賬

| | | Cash and cash equivalents | Liquid investments | Borrowings (non-current) | Borrowings (current) | Payable to trust senior tranche holders after one year 須於 一年後向 信託優先級 持有人償還 | Payable to Preferred Shareholders repayable after one year 須於 一年後 向優先股 股東償還 | Total |
|---------------------------------------|-------------------|---------------------------------|-----------------------|-----------------------------|-------------------------|--|--|-------------|
| | | 現金及 現金等價物 | 短期投資 | 借款 (非即期) | 借款 (即期) | 信託優先級 持有人償還 | 向優先股 股東償還 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| As at 1 January 2017 | 於2017年1月1日 | 2,104,080 | 74,187 | – | (33,000) | (160,000) | (4,105,301) | (2,120,034) |
| Foreign exchange adjustments | 外匯調整 | (26,732) | – | – | – | – | 98,877 | 72,145 |
| Cash flows | 現金流量 | (818,902) | 171,097 | (437,911) | (224,057) | (630,000) | (836,960) | (2,776,733) |
| Other non-cash movements | 其他非現金變動 | – | – | – | – | – | (1,971,876) | (1,971,876) |
| As at 31 December 2017 | 於2017年12月31日 | 1,258,446 | 245,284 | (437,911) | (257,057) | (790,000) | (6,815,260) | (6,796,498) |
| Foreign exchange adjustments | 外匯調整 | 14,019 | – | – | – | – | – | 14,019 |
| Cash flows | 現金流量 | (66,293) | 323,675 | 24,809 | 67,157 | 608,500 | – | 957,848 |
| Other non-cash movements (Note 30) | 其他非現金變動 (附註30) | – | – | – | – | – | 6,815,260 | 6,815,260 |
| As at 31 December 2018 | 於2018年12月31日 | 1,206,172 | 568,959 | (413,102) | (189,900) | (181,500) | – | 990,629 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

36 COMMITMENTS

The Group leases offices under non-cancellable operating leases agreements and the majority of lease agreements are renewable at the end of the lease at market rate.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

| | | As at 31 December | |
|--|------------|-------------------|---------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Not later than 1 year | 不超過一年 | 34,074 | 22,104 |
| Later than 1 year and not later than 5 years | 超過一年及不超過五年 | 58,826 | 40,524 |
| Over five years | 超過五年 | 1,064 | – |
| | | 93,964 | 62,628 |

37 DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2018 (2017: nil).

38 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2018.

36 承擔

本集團根據不可撤銷經營租賃協議租賃辦公室及大部分租賃協議於租期屆滿後可按市價續新。

本集團於不可撤銷經營租賃下的未來最低租賃付款總額如下：

37 股息

截至2018年12月31日止年度，本公司並未派付或宣派任何股息（2017年：無）。

38 或然事項

本集團於2018年12月31日並無任何重大或有負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Financial position of the Company

39 本公司財務狀況及儲備變動

(a) 本公司財務狀況

| | | As at 31 December | |
|---|----------------|-------------------|------------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| ASSETS | 資產 | | |
| Non-current assets | 非流動資產 | | |
| Investments in subsidiaries | 於附屬公司的投資 | 1,076,838 | 337,447 |
| Receivables from subsidiaries | 應收附屬公司款項 | 4,812,155 | 6,180,820 |
| Total non-current assets | 非流動資產總值 | 5,888,993 | 6,518,267 |
| Current assets | 流動資產 | | |
| Receivables from a shareholder | 應收股東款項 | – | 33,036 |
| Cash and cash equivalents | 現金及現金等價物 | 96,925 | 300,946 |
| Total current assets | 流動資產總值 | 96,925 | 333,982 |
| Total assets | 資產總值 | 5,985,918 | 6,852,249 |
| EQUITY AND LIABILITIES | 權益及負債 | | |
| Equity | 權益 | | |
| Share capital | 股本 | 79 | 20 |
| Share premium | 股份溢價 | 5,878,494 | 33,134 |
| Share held for employee incentive schemes | 持作僱員獎勵計劃的股份 | (14) | (9) |
| Reserves (Note 39(b)) | 儲備(附註39(b)) | 146,231 | 3,844 |
| Accumulated loss (Note 39(b)) | 累計虧損(附註39(b)) | (38,872) | – |
| Total equity | 總權益 | 5,985,918 | 36,989 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(a) Financial position of the Company (Cont'd)

39 本公司財務狀況及儲備變動 (續)

(a) 本公司財務狀況 (續)

| | | As at 31 December | |
|--------------------------------------|----------------|-------------------|------------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Non-current liabilities | 非流動負債 | | |
| Preferred shares | 優先股 | – | 6,815,260 |
| Total non-current liabilities | 非流動負債總額 | – | 6,815,260 |
| Total liabilities | 負債總額 | – | 6,815,260 |
| Total equity and liabilities | 權益及負債總額 | 5,985,918 | 6,852,249 |

The statement of financial position of the Company was approved by the Board of Directors on 26 March 2019 and were signed on its behalf.

本公司之財務狀況表於2019年3月26日獲董事會批准，並由下列代表簽署。

Sun Haitao
孫海濤
Director
董事

Zhao Ke
趙軻
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

(b) Reserve movement of the Company

39 本公司財務狀況及儲備變動 (續)

(b) 本公司儲備變動

| | | Accumulated | | |
|---|------------------------|------------------------------------|----------------------------------|---------------------------------|
| | | Reserves 儲備 RMB'000 人民幣千元 | loss 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| As at 1 January 2018 | 於2018年1月1日 | 3,844 | – | 3,844 |
| Comprehensive income | 全面收益 | | | |
| Loss for the year | 年度虧損 | – | (38,872) | (38,872) |
| Change in fair value attributable to change in the credit risk of preferred share | 優先股信用風險變動導致的公允價值變動 | (16,990) | – | (16,990) |
| Currency translation differences | 貨幣換算差額 | (45,544) | – | (45,544) |
| Total comprehensive income | 全面收益總額 | (62,533) | (38,872) | (101,405) |
| Transactions with owners as their capacity as owners | 與身為擁有人的擁有人之交易 | | | |
| Share incentive awarded under employee incentive schemes | 僱員激勵計劃項下的股份獎勵 | 204,920 | – | 204,920 |
| Total transactions with owners as their capacity as owners | 與身為擁有人的擁有人之交易總額 | 204,920 | – | 204,920 |
| As at 31 December 2018 | 於2018年12月31日 | 146,231 | (38,872) | 107,359 |

| | | Accumulated | | |
|---|------------------------|------------------------------------|----------------------------------|---------------------------------|
| | | Reserves 儲備 RMB'000 人民幣千元 | loss 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| As at 1 January 2017 | 於2017年1月1日 | – | – | – |
| Transactions with owners as their capacity as owners | 與身為擁有人的擁有人之交易 | | | |
| Share incentive awarded under employee incentive schemes | 僱員激勵計劃項下的股份獎勵 | 3,844 | – | 3,844 |
| Total transactions with owners as their capacity as owners | 與身為擁有人的擁有人之交易總額 | 3,844 | – | 3,844 |
| As at 31 December 2017 | 於2017年12月31日 | 3,844 | – | 3,844 |

Four-Year Financial Summary

四年財務資料概要

For the year ended 31 December

截至12月31日止年度

| | | 2015 | 2016 | 2017 | 2018 |
|--|----------------|-------------|-------------|--------------|--------------------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Results | 業績 | | | | |
| Revenue | 收益 | 89,727 | 571,046 | 2,268,580 | 2,811,994 |
| Profit/(loss) for the year | 本年度溢利／(虧損) | (693,303) | (2,231,442) | (1,378,471) | 2,168,767 |
| Profit/(loss) attributable to: | 下列人士應佔溢利／(虧損)： | | | | |
| Owners of the Company | 本公司所有人 | (693,303) | (2,231,442) | (1,371,270) | 2,162,084 |
| Non-controlling interests | 非控股權益 | — | — | (7,201) | 6,683 |
| | | (693,303) | (2,231,442) | (1,378,471) | 2,168,767 |
| <hr/> | | | | | |
| | | 2015 | 2016 | 2017 | 2018 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Assets and liabilities | 資產及負債 | | | | |
| Total assets | 總資產 | 496,850 | 4,085,519 | 7,725,042 | 7,532,198 |
| Total liabilities | 總負債 | (1,329,152) | (7,179,253) | (12,306,598) | (3,985,942) |
| | | (832,302) | (3,093,734) | (4,581,556) | 3,546,256 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | (832,302) | (3,093,734) | (4,584,512) | 3,529,315 |
| Non-controlling interests | 非控股權益 | — | — | 2,956 | 16,941 |
| | | (832,302) | (3,093,734) | (4,581,556) | 3,546,256 |

Note: The summary of financial information of the Group for 2015-2017 have been extracted from the Prospectus. The financial information for the year ended 31 December 2014 was not disclosed as consolidated financial statements of the Group and has not been prepared for the year. The summary above does not form part of the audited financial statements.

附註：本集團2015-2017年度的財務資料概要摘錄自招股章程。截至2014年12月31日止年度的財務資料並無披露為本集團的綜合財務報表且於該年度並未編製。上述概要並不構成經審核財務報表的一部分。

51信用卡