

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD Responsibilities

The primary role of the Board is to lead and control the Company's operations and affairs and to protect and enhance long-term shareholders' value. The Board oversees the management of the businesses and affairs of the Group and is responsible for the overall performance of the Group.

The Board monitors the financial performance and the internal controls of the Group's business operations.

The Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated. A Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group.

The Board is also responsible for providing guidance to overall management of the businesses and affairs of the Group. To facilitate effective management, certain functions have been delegated to various Board committees, namely Nomination Committee, Remuneration Committee and Audit Committee, each of which has its own written terms of reference and whose actions are reported to and monitored by the Board. The effectiveness of each committee is also constantly monitored.

The Board is responsible for performing the functions set out in Code Provision D.3.1 of the HK CG Code. During the Year, the Board has reviewed the corporate governance policy and the Company's internal codes for securities dealing. The Board will review, consider and determine the appropriate policy for corporate governance of the Company from time to time.

Non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors. The functions of non-executive Directors have included the functions as specified in the code provision A.6.2(a) to (d) of the HK CG Code.

董事會 責任

董事會之主要職責為領導及監控本公司之營運及事務，並提升股東之長期價值。董事會監察本集團之業務及事務管理，並對本集團之整體表現負責。

董事會監督本集團業務營運之財務表現及內部監控。

董事會負責通過以負責任及具效益之方式引導並監督本公司事務，推動本集團之成就。每一位董事均有責任本著公司最佳利益下真誠行事。董事知悉，彼等須就本公司事務管理、控制及運作之方式，向本集團所有股東負起集體和個別責任。董事須時常肩負彼作為董事之責任，並應經常對本集團之行為、業務活動及發展加以留意。

董事會亦負責為本集團業務及事務之整體管理提供指引。為方便有效管理，各董事委員會（分別為提名委員會、薪酬委員會及審核委員會）已獲授權若干職能。各董事委員會均訂有書面職權範圍，其所採取行動均須向董事會報告並受其監察。各委員會之成效亦受持續監察。

董事會負責履行香港企業管治守則內守則條文第D.3.1條之職能。年內，董事會已審閱企業管理政策及本公司就證券交易之內部守則。董事會將不時審閱、考慮及決定本公司企業管治之合適政策。

非執行董事與執行董事具同等謹慎、熟練及受信責任。非執行董事身職能包括在香港企業管治守則之守則條文第A.6.2(a)至(d)條所列明之職能。

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THE BOARD (continued)

Board meetings

The attendance records of each Director at the meetings of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee during the Year are set out below:

		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Number of meeting held during the Year	年內舉行會議之次數	4	3	1	2
Non-executive Directors	非執行董事				
Mr. XU Yongjun (Note 1)	許永軍先生(附註1)	1/4	–	–	–
Mr. HUANG Junlong (Note 2)	黃均隆先生(附註2)	4/4	–	1/1	2/2
Dr. YAN Chengda (Note 3)	YAN Chengda博士(附註3)	0/4	–	–	–
Ms. LIU Ning (Note 4)	劉寧女士(附註4)	3/4	3/3	–	–
Executive Directors	執行董事				
Dr. SO Shu Fai (Note 5)	蘇樹輝博士(附註5)	3/4	–	–	–
Mr. YU Zhiliang	余志良先生	4/4	–	–	–
Mr. WONG King Yuen	黃競源先生	4/4	–	–	–
Independent non-executive Directors	獨立非執行董事				
Dr. WONG Wing Kuen, Albert	王永權博士	4/4	3/3	–	2/2
Ms. CHEN Yanping	陳燕萍女士	4/4	–	1/1	2/2
Dr. SHI Xinping	史新平博士	4/4	3/3	1/1	–
Mr. HE Qi	何琦先生	4/4	–	–	–

Notes:

- Appointed as non-executive Director, the chairman of the Board and the chairman of the nomination committee of the Company with effect from 18 March 2016. Due to business affairs, Mr. XU could not attend the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018. Mr. XU had appointed Mr. HUANG to act his alternate for the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018 respectively. Mr. XU could not attend the Nomination Committee meeting held on 20 March 2018 and he had appointed Mr. HUANG to act his alternate.
- Appointed as non-executive Director and the member of the remuneration committee of the Company with effect from 18 March 2016. Mr. HUANG act the alternate to Mr. XU to attend the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018, and the Nomination Committee meeting held on 20 March 2018.
- Appointed as non-executive Director of the Company with effect from 18 March 2016. Due to business affairs, Mr. YAN could not attend the Board Meetings held on 20 March 2018. He has resigned on 13 August 2018.
- Due to business affairs, Ms. LIU could not attend the Board Meetings held on 9 November 2018.
- Due to business affairs, Dr. SO could not attend the Board Meetings held on 20 March 2018.

董事會(續)

董事會會議

年內，各董事於董事會、審核委員會、提名委員會及薪酬委員會之出席記錄載列如下：

		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Number of meeting held during the Year	年內舉行會議之次數	4	3	1	2
Non-executive Directors	非執行董事				
Mr. XU Yongjun (Note 1)	許永軍先生(附註1)	1/4	–	–	–
Mr. HUANG Junlong (Note 2)	黃均隆先生(附註2)	4/4	–	1/1	2/2
Dr. YAN Chengda (Note 3)	YAN Chengda博士(附註3)	0/4	–	–	–
Ms. LIU Ning (Note 4)	劉寧女士(附註4)	3/4	3/3	–	–
Executive Directors	執行董事				
Dr. SO Shu Fai (Note 5)	蘇樹輝博士(附註5)	3/4	–	–	–
Mr. YU Zhiliang	余志良先生	4/4	–	–	–
Mr. WONG King Yuen	黃競源先生	4/4	–	–	–
Independent non-executive Directors	獨立非執行董事				
Dr. WONG Wing Kuen, Albert	王永權博士	4/4	3/3	–	2/2
Ms. CHEN Yanping	陳燕萍女士	4/4	–	1/1	2/2
Dr. SHI Xinping	史新平博士	4/4	3/3	1/1	–
Mr. HE Qi	何琦先生	4/4	–	–	–

附註：

- 自二零一六年三月十八日起獲委任為非執行董事、董事會主席兼本公司提名委員會主席。由於商務理由，許先生未能出席於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日舉行之董事會會議。許先生已委任黃先生出任彼之替任董事，以代表彼出席分別於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日舉行之董事會會議。許先生未能出席於二零一八年三月二十日舉行之提名委員會會議，並已委任黃先生擔任彼之替任董事。
- 自二零一六年三月十八日起獲委任為非執行董事兼本公司薪酬委員會成員。黃先生擔任許先生之替任董事，以出席於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日之董事會會議以及於二零一八年三月二十日舉行之提名委員會會議。
- 自二零一六年三月十八日起獲委任為本公司獨立非執行董事。由於商務理由，YAN博士未能出席於二零一八年三月二十日舉行之董事會會議。彼已於二零一八年八月十三日辭任。
- 由於商務理由，劉女士未能出席於二零一八年十一月九日舉行之董事會會議。
- 由於商務理由，蘇博士未能出席於二零一八年三月二十日舉行之董事會會議。

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THE BOARD *(continued)*

Board meetings *(continued)*

Minutes of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee were recorded in sufficient details of matters considered at the meetings and decisions reached including any concerns or dissenting views raised by the Directors. All the minutes are kept by the company secretary and are open for inspection at any time on reasonable notice given by any Director.

Directors can access to the advice and services of the company secretary to ensure that Board procedures and applicable rules and regulations are followed.

In addition, all Directors are regularly updated on corporate governance and regulatory matters. On a continuing basis, Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate. Guideline is available for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate liability insurance cover in respect of legal action against its Directors.

董事會 *(續)*

董事會會議 *(續)*

董事會、審核委員會、薪酬委員會及提名委員會之會議記錄，於會議內曾考慮之事項及所達致的決定(包括任何由董事提出的關注事宜或反對意見)均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理通知，均可於任何時間內查閱該等會議記錄。

各董事均可獲取公司秘書之意見及服務，以確保董事會程序及適用規則以及法規均已獲遵守。

此外，本公司會定期向所有董事匯報有關企業管治及監管事務之最新情況。董事獲持續鼓勵時刻關注有關本集團之一切事宜，並於適當時候參加簡報會及研討會。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見(有關費用由本公司承擔)。本公司亦已就向其董事提出法律訴訟購買適當之責任保險。



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CHAIRMAN AND CHIEF EXECUTIVE

Mr. XU Yongjun, a non-executive Director, is the chairman of the Board. The chairman is responsible for leading the Board to ensure its effectiveness on all aspects of its role and set its agenda.

Mr. YU Zhiliang, an executive Director who has been re-designated from the chief financial officer to general manager of the Company since 18 August 2016 is currently responsible for the Group's strategic development and operational plans, and in particular, the day-to-day operations of the Company's business, which are as same as the duties discharged by a chief executive officer. Therefore, the Company considers that the division of responsibilities between the chairman and the role of a chief executive has been achieved within the Company's written guidelines.

TRAINING FOR DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are responsible for their own training needs and report to the Company. The Company will provide suitable training course for the Directors at the Company's expenses.

主席及行政總裁

非執行董事許永軍先生為董事會主席。主席負責領導董事會，確保其有效履行各方面之職務，並製訂其議程。

執行董事余志良先生自二零一六年八月十八日起由本公司財務總監調任為總經理，目前負責本集團戰略及營運計劃，尤其本公司日常經營，與行政總裁所履行職責相同。因此，本公司認為公司的書面規章制度已成功體現了主席與行政總裁職責之劃分。

董事培訓

全體董事應確保參與持續專業培訓計劃，提高及更新其知識及技能。此舉確保彼等向董事會提供相關之貢獻。

每名新任董事於首次委任時會獲發全面、正式及針對個別董事需要的就任須知，確保彼明白本公司的業務及運作，並完全了解根據上市規則及相關監管規定所規定其擔負的職責及責任。

董事負責自身所需之培訓並向本公司報告。本公司將向董事提供合適之培訓課程，費用由本公司支付。

CORPORATE GOVERNANCE REPORT

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TRAINING FOR DIRECTORS *(continued)*

The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities. During the Year, all Directors have complied with code provision A.6.5 of the HK CG Code to participate in continuous professional development to develop and refresh their knowledge and skills by attending seminars, in-house briefings or reading materials on the following topics:

董事培訓(續)

本公司將不斷就法律和監管發展以至業務與市場變化，向董事提供最新資訊，以協助董事履行職責。年內，全體董事已遵守香港企業管治守則守則條文第A.6.5條參與持續專業培訓，通過出席有關以下主題之講座、內部簡介或閱覽材料，發展並更新彼等之知識及技能：

Topics of training covered

所涵蓋培訓主題

Non-executive Directors

Mr. XU Yongjun

Mr. HUANG Junlong

Ms. LIU Ning

非執行董事

許永軍先生

黃均隆先生

劉寧女士

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Executive Directors

Dr. SO Shu Fai

Mr. YU Zhiliang

Mr. WONG King Yuen

執行董事

蘇樹輝博士

余志良先生

黃競源先生

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Independent non-executive Directors

Dr. WONG Wing Kuen, Albert

Ms. CHEN Yanping

Dr. SHI Xinping

Mr. HE Qi

獨立非執行董事

王永權博士

陳燕萍女士

史新平博士

何琦先生

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Notes:

(1) Corporate governance

(2) Regulatory updates

(3) Finance, accounting or commercial

(4) Industry updates

(5) Legal

附註：

(1) 企業管治

(2) 監管更新

(3) 財務、會計或商業

(4) 行業更新

(5) 法律

Except Dr. YAN who has resigned on 13 August 2018, all remaining directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities.

除已於二零一八年八月十三日辭任之YAN博士外，所有董事持續獲更新與法定及監管法規及營商環境之最新發展，以助彼等履行其責任。



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DELEGATION BY THE BOARD

The Board has delegated functions that are necessary and incidental to carrying out the decision of the Board or to facilitate the day-to-day operation of the Group in the ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

SUPPLY OF AND ACCESS TO INFORMATION

Directors are provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting.

董事會之授權

董事會已授予高級管理人員及不同單位部門主管所需及相關職能，以執行董事會決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理人員處理之主要企業事務包括：執行董事會採納之業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及法規。

資料之提供和查閱

本公司將會及時向董事提供適當資料，所提供資料之形式和質素，足以讓董事作出知情決定並履行本公司董事之職務及責任。

就董事會之定期會議而言，在實際可行之所有其他情況下，所有董事均會及時並在董事會會議擬定開會之日期至少三天前，獲送呈會議議程及附帶之全部董事會文件。

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SUPPLY OF AND ACCESS TO INFORMATION

(continued)

Management is aware that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

NOMINATION COMMITTEE

The Nomination Committee comprised of three members:

Non-executive Director:

Mr. XU Yongjun (Chairman)

Independent non-executive Director:

Ms. CHEN Yanping (Member)

Dr. SHI Xinping (Member)

The majority of them are independent non-executive Directors. The Nomination Committee is regulated by a set of terms of reference.

The Group has a formal, considerate and transparent procedure for the appointment of new Director to the Board. The Group has adopted a nomination procedure and the Board, based on the criteria established, evaluate and select candidates for the directorships.

In assessing, selecting and recommending candidates for directorship to the Board, the Nomination Committee will give due consideration to the factors including but not limited to:

- (a) reputation for character and integrity;
- (b) accomplishment and experience in the relevant industries in which the Company's business is involved and other professional qualifications;
- (c) commitment in respect of available time and relevant interest;
- (d) diversity in all aspects including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills, knowledge and length of service;
- (e) contribution that the candidates can potentially bring to the Board; and
- (f) plans in place for the orderly succession of the Board.

資料之提供和查閱(續)

管理層知悉彼等有責任及時向董事會及其委員會提供足夠資料，讓彼等作出知情決定。所提供之資料必須為完整可靠。董事會及各董事在必要時均可個別及獨立地向本公司高級管理人員作出進一步查詢。

提名委員會

提名委員會由三名成員組成：

非執行董事：

許永軍先生(主席)

獨立非執行董事：

陳燕萍女士(成員)

史新平博士(成員)

大部分成員為獨立非執行董事。提名委員會受書面職權範圍規管。

本集團訂有一套正規、經深思熟慮且高透明度之委任董事會新董事程序，本集團已經採納一套提名程序，而董事會根據已確立之準則範疇評審及挑選擔任董事之人選。

向董事會評估、挑選及推薦董事職位之候選人時，提名委員會將仔細考慮包括但不限於以下各項之因素：

- (a) 品格及誠信之聲譽；
- (b) 涉及本集團業務的相關行業的成就及經驗以及其他專業資格；
- (c) 其可投入的時間及代表相關界別之利益；
- (d) 各方面之多元化，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他)、技能、知識及服務年期；
- (e) 候選人可以向董事會帶來的潛在貢獻；及
- (f) 為董事會有序繼任而制訂的計劃。

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NOMINATION COMMITTEE (continued)

The Nomination Committee has considered the effectiveness of the Board as a whole and its board committees in addition to the contribution by the chairman and each individual director to the effectiveness of the Board on an annual basis. The performance evaluation criteria include an evaluation of the structure, composition and size of the Board, the Board's access to complete, adequate and timely information, Board's procedures and accountability. The Nomination Committee has reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

The Nomination Committee will ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria that the Nomination Committee will consider in relation to an individual Director include the Director's industry knowledge and/or expertise, time and effort dedicated to the Group's business and affairs, work commitments, attendance and participation at the Board and Board committee meetings. Each member of the Nomination Committee shall abstain from voting on any resolutions and making recommendation and/or participating in respect of the matters in which he is interested.

The Nomination Committee shall hold at least one regular meeting in a year. Additional meetings shall be held as and when required. The independence of each Director is reviewed annually. The Nomination Committee satisfied that the independence of the Company's independent non-executive Directors meets the requirements set out in Rule 3.13 of the Listing Rules. The Nominating Committee has assessed the independence of the independent non-executive Directors and is satisfied that there are no relationships which would deem any of the independent non-executive Directors not to be independent. The Board is able to exercise independent judgment on corporate affairs and provide the management with a diverse and objective perspective on issues.

Notwithstanding that some of the Directors have multiple board representations, the Nomination Committee and the Board are satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

The Company is committed to equality of opportunity in all aspects of its business. The Board Diversity Policy was adopted since September 2013.

提名委員會(續)

提名委員會已按年度基準考慮主席及各個董事對董事會有效性之貢獻以及董事會整體及其董事委員會之有效性。表現評估標準包括評估董事會之架構、組成及規模、董事會能否及時獲取全面、充分及最新資料以及董事會程序及問責性。提名委員會已檢討董事會之架構、規模及組成，確保其擁有本公司業務所需之均衡及合適專業知識、技能及經驗。

提名委員會將確保獲委任加入董事會之董事具備相關背景、經驗及知識，以作出平衡及深思熟慮之決定。提名委員會用以考慮個別董事表現之標準包括董事之行業知識及／或專業知識、投放於本集團業務及事務之時間及精力、工作熱誠、於董事會及董事委員會會議之出席率及參與度等。提名委員會各成員須就有關彼於其有擁有利益之事宜放棄於任何決議案投票及作出建議及／或參與。

提名委員會須每年至少舉行一次定期會議。如有需要，可舉行額外會議。各董事之獨立性每年審閱。提名委員會信納本公司獨立非執行董事之獨立性符合上市規則第3.13條所載規定。提名委員會已評估獨立非執行董事之獨立性，並信納概無存在任何關係致使任何獨立非執行董事被視作不獨立。董事會可就公司事務行使獨立判斷，並就事宜向管理層提供多元化及客觀觀點。

儘管部分董事身兼多個董事會職務，惟提名委員會及董事會信納董事已對本集團事務給予充分時間及關注。

本公司致力在其業務各方面給予平等機會，並自二零一三年九月起採納董事會成員多元化政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE (continued)

Diversity of board members can be achieved through consideration of a number of factors, including but not limited to professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. In forming its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee would review the measurable objectives under the Board Diversity Policy and the progress of attainment, so as to ensure effective implementation. The Nomination Committee is satisfied that the current board composition has achieved a diversity and would enhance the quality of performance of the Company.

During the Year, the Nomination Committee held one meeting and the committee has performed the following duties:

- reviewed the independence of independent non-executive directors;
- recommended re-election of the retiring Directors after assessing their contribution and performance, and has reviewed the structure, size and composition of the board in accordance with Rule 3.10A of the Listing Rules;
- made recommendations to the Board on the appointment of authorised representations of the Company under the Listing Rules and the Companies Ordinance (Cap. 622 of the laws of Hong Kong); and
- reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board and made recommendations on proposed changes to the Board to complement the Company's corporate strategy.

提名委員會(續)

董事會成員多元化可透過考慮多個因素達致，包括但不限於專業資格及經驗、文化及教育背景、種族及族群特性、性別、年齡及服務任期。在引入多元化觀點時，本公司亦將會根據其本身的商業模式及不時的特別需要考慮因素。提名委員會將審閱董事會成員多元化政策下之可計量目標及達成進度，以確保其有效實施。提名委員會對目前董事會組成達致多元化感到滿意，並將提高本公司之表現質素。

年內，提名委員會已舉行一次會議，並已履行以下職責：

- 評估獨立非執行董事之獨立身份；
- 評估退任董事之貢獻及表現後就彼等重選連任提供推薦意見，並已根據上市規則第3.10A條審閱董事會之架構、規則及組成；
- 就根據上市規則及公司條例(香港法例第622章)委任本公司授權代表向董事會作出推薦意見；及
- 檢討董事會之架構、規模及組成(包括技能、知識及經驗)及就董事會之建議變動向董事會作出推薦意見，以配合本公司之公司策略。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

Code provision A.4.1 of the HK CG Code stipulated that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment which is a deviation from the said HK CG Code. However, all of them are subject to retirement by rotation and re-election at annual general meeting ("AGM") according to the Company's Articles of Association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

REMUNERATION COMMITTEE

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group.

The Remuneration Committee comprised of three members:

Independent non-executive Director:

Ms. CHEN Yanping (*Chairman*)

Dr. WONG Wing Kuen, Albert (*Member*)

Non-executive Director:

Mr. HUANG Junlong (*Member*)

The majority of them are independent non-executive Directors.

The principal function of the Remuneration Committee is to ensure that a formal and transparent set of policies and procedures are in place for determining executive remuneration and for fixing the remuneration packages of individual Directors and that no Director should be involved in deciding his own remuneration.

The Remuneration Committee shall meet at least once a year, the Remuneration Committee covers all aspects of emoluments, including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. In setting remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the industry and in comparable companies, as well as the Group's relative performance and their individual performance. The Remuneration Committee will seek expert advice on remuneration of all Directors as and when necessary.

提名委員會

香港企業管治守則守則條文第A.4.1條訂明，非執行董事應委以特定任期，並須接受重選。非執行董事及全體獨立非執行董事並無特定任期，此乃偏離上述香港企業管治守則。然而，彼等均須遵守本公司組織章程細則之規定於股東週年大會（「股東週年大會」）輪值退任及重選連任。董事會認為，此規定具有達致特定任期之相同目標之同等效果。

薪酬委員會

本公司已就制定本集團高級管理層之薪酬政策設立正式及具透明度之程序。

薪酬委員會由三名成員組成：

獨立非執行董事：

陳燕萍女士（主席）

王永權博士（成員）

非執行董事：

黃均隆先生（成員）

大部分成員為獨立非執行董事。

薪酬委員會之主要職能為確保設立正式及具透明度之政策及程序，以釐定行政人員薪酬及個別董事之薪酬待遇，而董事不應參與決定其本身之薪酬。

薪酬委員會須每年舉行會議至少一次。薪酬委員會處理所有方面之酬金，包括但不限於董事袍金、薪金、津貼、花紅、購股權、實物利益、退休金權利及賠償金額（包括因離職或終止職務或委任之任何應付賠償）。在制定薪酬待遇時，薪酬委員會考慮業內及可資比較公司之工資及僱傭條件，以及本集團之相對表現及彼等之個人表現。薪酬委員會將於必要時就全體董事薪酬尋求專家意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (continued)

The Remuneration Committee is regulated by a set of written terms of reference. Its key functions include:

- reviewing and recommending to the Board the Company's policies and structure for all Directors and senior management's remuneration as are competitive and appropriate to attract, retain and motivate Directors and senior management of the required quality to run the Company successfully and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- either determining (with delegated responsibility) or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

The Remuneration Committee met twice during the Year and has performed the following duties:

- reviewed the remuneration policy and structure of the Company, and the remuneration packages of the Directors; and
- reviewed the remuneration packages of all Directors.

薪酬委員會(續)

薪酬委員會受書面職權範圍規管。其主要職能包括：

- 審閱及就本公司有關全體董事及高級管理層薪酬(必須具競爭力及屬恰當以以吸引、留聘及激勵具備成功營運本公司所需質素之董事及高級管理層)之政策及架構，以及就設立正式及具透明度之程序制訂薪酬政策，向董事會作出推薦建議；
- 參考董事會之企業方針及目標，審閱及批准管理層之薪酬建議；
- 獲董事會轉授責任釐定或向董事會建議個別執行董事及高級管理層之薪酬待遇；
- 審閱及批准就執行董事及高級管理層離職或終止職務或委任之應付賠償，以確保該等賠償與合約條款一致；倘未與合約條款一致，有關賠償亦須屬公平，不致過多；及
- 審閱及批准因董事行為失當而解僱或罷免有關董事所涉及之賠償安排，以確保該等安排與合約條款一致；倘未與合約條款一致，有關賠償亦須合理適當。

年內，薪酬委員會舉行兩次會議，並履行以下職責：

- 檢討本公司薪酬政策及架構，以及董事之薪酬待遇；及
- 檢討所有董事的薪酬。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTOR' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the Year.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other applicable statutory and regulatory requirements.

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the period. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgments and estimates and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

In presenting the interim and annual financial statements and announcement to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. The management currently provides the Board with monthly update on the Group's performance, position and prospects.

The senior management of the Group has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The statement of the external auditor of the Company is set out in the "Independent Auditors' Report" on pages 109 to 118.

董事進行證券交易

本集團已採納有關本公司董事進行證券交易之行為守則，其條款之嚴謹程度不遜於上市規則附錄十內所載上市發行人董事進行證券交易的標準守則（「標準守則」）所規定標準。經向全體董事作出特定查詢後，本公司確認，全體董事於年內一直遵守標準守則所載之規定標準。

財務申報

董事承擔編製本公司本年度財務報表之責任。

董事會負責就年度及中期報告、股價敏感公告以及上市規則及其他適用法定及監管規定所規定之其他披露，呈列均衡、清晰及簡明之評估。

董事確認須負責監督各財政期間編製財務報表工作，以確保能真實及公正地反映本集團之財務狀況、期內業績與現金流量。在編製本年度財務報表時，董事已選擇並貫徹採用合適之會計政策；採納合適之香港財務報告準則及香港會計準則；作出審慎而合理之判斷和估計，以及按持續營運基準編製財務報表。董事亦須保證本集團財務報表將會依時刊發。

向股東呈報中期及年度財務報表及公告時，董事會旨在為股東提供本集團財務狀況及前景之詳盡分析、闡釋及評估。管理層目前每月向董事會提供有關本集團表現、狀況及前景之最新資料。

本集團高級管理層已向董事會提供董事會為本公司財務報表進行知情評估時所需之解釋及資料，以供董事會審批。

本公司外聘核數師之聲明載於第109至118頁之「獨立核數師報告」。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The Company has adopted a dividend policy on 24 January 2019, pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the Articles of Association of the Company;
- (b) the applicable restrictions and requirements under the laws of the Cayman Islands;
- (c) any banking or other funding covenants by which the Company is bound from time to time;
- (d) the investment and operating requirements of the Company; and
- (e) any other factors that have material impact on the Company.

The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and shall be subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company. The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be proposed or declared in any particular amount for any given period.

股息政策

本公司會已於二零一九年一月二十四日採納股息政策。根據股息政策，董事會於建議宣派股息及釐定股息金額時須考慮以下因素：

- (a) 本公司之組織章程細則；
- (b) 開曼群島法律下的適用限制及要求；
- (c) 本公司不時受其約束的任何銀行或其他融資契諾；
- (d) 本公司的投資及經營需求；及
- (e) 任何其他對本公司構成重大影響的因素。

本公司的股息宣派及派付須由董事會全權酌情決定，亦須遵守開曼群島公司法及本公司的組織章程細則。股息政策將繼續不時予以檢討，且概不保證將在任何特定期間建議或宣派任何特定金額的股息。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its responsibility for maintaining an adequate internal control system to safeguard the assets of the Group and the interests of shareholders and consider the governance of risk. Annual review on the adequacy and the effectiveness of the internal control and risk management systems of the Group has been conducted by the management and reviewed by the Board. The Audit Committee is satisfied that nothing has come to its attention to cause the Audit Committee to believe that the internal control system is inadequate. Review will be made at least annually to monitor the adequacy and the effectiveness of the risk management and the internal control system of the Group.

The finance department carries out annual risk assessment on each audit area and derives an annual audit plan according to their risk rankings. During the Year, the Company has outsourced its internal audit function to an independent accounting firm, Messrs. SHINEWING Risk Services Limited to perform a review of the internal control system of the Group with a focus on the property business. During the Year, the Group has complied with code provision C.2 of the HK CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- *Identification:* Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- *Evaluation:* Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management:* Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in the year 2018, no significant risk was identified.

風險管理及內部監控

董事會重視其維持足夠內部監控系統之責任，以保障本集團資產及股東權益以及考慮監管風險。本集團內部監控及風險管理系統之充足性及成效之年度審閱已由管理層進行及由董事會審閱。審核委員會信納概無發現致使審核委員會相信內部監控系統存在不足之處。審閱將最少每年進行一次，以監察本集團風險管理及內部監控系統之充足性及成效。

審核委員會每年檢討本集團內部監控及風險管理系統之效能一次。財務部門就各審核領域進行年度風險評估並根據彼等之風險排名判定年度審核計劃。於年內，本公司已外判其內部審核職能予一間獨立會計師樓信永方略風險管理有限公司對本集團內部監控制度（專注於房地產業務）進行檢討。年內，本集團已遵守香港企業管治守則守則條文第C.2條，設立適當有效之風險管理及內部監控系統。管理層負責設計、實際及監察有關系統，而董事會持續監督管理層履行其職責之情況。風險管理及內部監控系統之主要功能於下文各節論述：

風險管理系統

本集團採納風險管理系統，管理其業務及營運之相關風險。該系統包括以下多個層面：

- *識別：* 識別風險所有權、業務目標及可能影響目標達成之風險。
- *評估：* 分析風險之可能性及影響，並對風險組合作出相應評估。
- *管理：* 考慮風險應對措施，確保與董事會就風險進行有效溝通並持續監察剩餘風險。

根據於二零一八年進行之風險評估，概無發現重大風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Internal Control System

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The internal control system will cover all material controls, including financial, operational and compliance controls and risk management functions.

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The components of the framework are shown as follow:

- **Control Environment:** A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- **Risk Assessment:** A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- **Control Activities:** Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- **Information and Communication:** Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

風險管理及內部監控(續)

內部監控系統

董事會須負責確保本集團保持健全而有效之內部監控，以維護股東投資及本集團資產。

內部監控系統涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。

本公司已制定符合 Committee of Sponsoring Organizations of the Treadway Commission (「COSO」)二零一三年框架之內部監控系統。該框架促使本集團達致營運有效性及效率性、財務報告可靠性及遵守適用法律及法規之目標。

該框架之組成部分列示如下：

- **監控環境：**為本集團進行內部監控提供基礎之一套標準、程序及結構。
- **風險評估：**動態交互流程以識別及分析風險，達成本集團目標，並為如何管理風險形成依據。
- **監控行動：**按政策及程序制定行動，以確保管理層為減輕風險以達成目標之指令獲執行。
- **資料及通訊：**為本集團提供進行日常監控所需資料之內部及外部通訊。
- **監察：**為確定內部監控之各組成部份是否存在及運行而進行之持續及單獨評估。

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RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Internal Control System (continued)

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has adopted and implemented an inside information procedure. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include the maintaining of a good control environment with defined organisational structure, limit of authority, reporting lines and responsibilities in accordance with the Company's guidelines and the regulatory requirements. An effective information platform has been created to enable relevant and timely information are sent to the Board for decision making. Appropriate control measures have been taken place to facilitate a good control environment for handling and dissemination of inside information. The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality. Confidentiality agreements are in place when the Group enters into significant negotiations. Where necessary, Directors to speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in the year of 2018, no significant control deficiency was identified.

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted at least annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

風險管理及內部監控(續)

內部監控系統(續)

為加強本集團之內幕消息控制系統，並確保其公開披露事項之真實性、準確性、完整性與及時性，本集團亦採納及實施一套內幕消息程序。本集團已不時採納若干合理措施，確保存在適當保障以防止違反有關本集團之披露規定，包括維持具備明確組織架構、權力規限以及根據本公司指引及監管規定之報告方式及責任之良好監控環境。本公司已設立有效資訊平台，以確保相關及最新資訊已向董事會提交供彼等決策。設立合適監控措施，促進處理及傳播內幕消息。僅少數僱員可按需要查閱資料。掌握內幕消息之僱員充分熟知彼等之保密責任。本集團進行重大磋商時將會訂立保密條款。如有需要，董事與媒體、分析師或投資者等外部人士溝通時會代表本公司發言。

根據於二零一八年度進行之內部監控審閱，概無發現重大監控缺失。

管理層負責本集團之風險管理及內部監控系統，並確保該等系統之成效至少每年檢討。董事會於審閱時已考慮多個範疇，包括但不限於(i)自上一個年度審閱後重大風險之性質變動及程度，及本集團應對其業務及外界環境變動之能力；及(ii)管理層持續監察風險及內部監控系統之範圍及質量。

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AUDIT COMMITTEE

The Audit Committee comprised of three members:

Independent non-executive Director:

Dr. WONG Wing Kuen, Albert (*Chairman*)

Dr. SHI Xinping (*Member*)

Non-executive Director

Ms. LIU Ning (*Member*)

All of them are independent non-executive Directors. Dr. WONG Wing Kuen, Albert has the appropriate professional qualifications or accounting or related financial management expertise. The Board considers that Dr. SHI Xinping and Ms. LIU Ning have sufficient financial knowledge and experience to discharge their responsibilities as members of the Audit Committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Audit Committee adopted its terms of reference in November 2015 which is applicable to the Company's accounting periods beginning on or after 1 January 2016. The Audit Committee is responsible for reviewing the Group's corporate governance, financial reporting, internal control and risk management.

Its key functions include:

- reviewing the audit plans and results of the external auditor of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal controls, the audit reports and management letters issued by the external auditor and the co-operation given by the Company's management to the external auditor;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditor and internal auditor, and to review the remuneration and terms of engagement of the external auditor;

審核委員會

審核委員會由三名成員組成：

獨立非執行董事：

王永權博士(主席)

史新平博士(成員)

非執行董事

劉寧女士(成員)

彼等均為獨立非執行董事。王永權博士具備適當專業資格或會計或相關財務管理專長。董事會認為，史新平博士及劉寧女士具備充分財務知識及經驗以履行彼等作為審核委員會成員之職責。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

審核委員會於二零一五年十一月採納其新職權範圍，該職權範圍適用於本公司於二零一六年一月一日或之後開始之會計期間。審核委員會負責審閱本集團之企業管治、財務申報、內部監控及風險管理。

其主要職責包括：

- 審閱本公司外聘核數師之審核計劃及結果以及內部核數師對本公司內部監控系統是否充足、外聘核數師發出之審核報告及管理函件以及本公司管理層與外聘核數師之合作情況所作評估；
- 就委聘、續聘及罷免外聘核數師及內部核數師之事宜向董事會提出推薦建議，以及審閱外聘核數師之薪酬及委聘條款；

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AUDIT COMMITTEE (continued)

- reviewing the nature and extent of non-audit services provided by the external auditor;
- reviewing cost effectiveness and the independence and objectivity of the external auditor;
- reviewing the significant financial reports so as to ensure the integrity of the financial statements of the Company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards;
- reviewing interim and annual financial statements and announcements before submission to the Board for approval; and
- reviewing effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management and reviews the findings of the internal auditor of the Company.

The Audit Committee shall hold at least two regular meetings in a year. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and relevant legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditor.

The Company's annual results announcement for the year ended 31 December 2018 published on 15 March 2019 was reviewed by the Audit Committee.

審核委員會(續)

- 審閱外聘核數師所提供非核數服務之性質及範圍；
- 審閱外聘核數師之成本效益、獨立性及客觀性；
- 審閱重大財務報告，以確保本公司財務報表之完整性，特別注意會計政策及常規方面之變動、主要風險範圍、審核所導致之重大調整以及遵守財務報告準則之情況；
- 審閱未提交董事會批准之中期及年度財務報表及公告；及
- 審閱本公司重大內部監控之成效，包括財務、營運及合規監控以及風險管理，並審閱本公司內部核數師的審核結果。

審核委員會須每年至少舉行兩次定期會議。審核委員會不僅關注於會計政策及慣例變動之影響，亦會關注遵守會計準則、上市規則及有關法律規定。

審核委員會就本公司外聘核數師之甄選、委任、辭任或罷免與董事會並無持不同意見。

本公司於二零一九年三月十五日所刊發截至二零一八年十二月三十一日止年度之年度業績已由審核委員會審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

During the Year, the Audit Committee held three meetings and has performed the following duties:

- met with the executive Directors and management of the Company to review the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group and made recommendations to the Board;
- considered and discussed the reports and presentations by the senior management and the external auditor, with a view to ensure that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong;
- met with the external auditor without the presence of management and discussed about the interim financial report and its annual audit of the consolidated financial statements and key audit issues;
- assisted the Board in meeting its responsibilities for evaluating, establishing and maintaining effective systems of internal control;
- carried out the annual review on the continuing connected transactions of the Group;
- reviewed the adequacy of resources qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programmes and budget; and
- reviewed and discussed significant audit findings in a meeting with the external auditor.

The Audit Committee also examines any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitors the Company's compliance with its legal, regulatory and contractual obligations.

The Board is of the view that the members of the Audit Committee have sufficient accounting or related financial management expertise and experience to discharge the Audit Committee's function.

The Audit Committee will report to the Board on any material issues, and makes recommendations to the Board.

審核委員會(續)

於年內，審核委員會舉行三次會議，並已履行以下職責：

- 與本公司執行董事及管理層會晤，審閱中期及年度業績、中期報告及年度報告及其他財務、內部監控、本集團的企業管治及風險管理事宜，並向董事會提出推薦意見；
- 考慮並討論高級管理人員及外聘核數師之報告及提呈，以確保本集團之綜合財務報表乃根據香港普遍採用之會計原則編製；
- 在管理層避席之情況下與外聘核數師會晤，並討論其對中期財務報告及其對綜合財務報表之年度審核以及重大審核事宜；
- 協助董事會履行其評估、建立及維持有效內部監控制度之責任；
- 對本集團之持續關連交易進行年度審閱；
- 審閱資源之充分性、本公司會計及財務申報職能之員工之資格及經驗，以及其培訓計劃及預算；及
- 與外聘核數師會面時審閱及討論重大審核發現。

審核委員會亦在其認為必要時，審查本公司任何其他涉及監管或法律性質風險方面之事宜，並監察本公司是否遵守法律、監管及合約責任。

董事會認為，審核委員會成員具備充分會計或相關財務管理專業及經驗履行審核委員會之職能。

審核委員會將向董事會報告任何重大事宜並向其作出推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

During the Year, the remuneration in respect of professional services provided by the Company's auditor, Deloitte Touche Tohmatsu, is set out as follows:

		(RMB'000) (人民幣千元)
Audit services	審核服務	3,783
Non-audit services	非審核服務	430

Non-audit services include the professional services rendered in connection with the interim report review, continuing connected transactions review and internal controls assessment.

The Audit Committee had considered the Independent Auditors' independence and objectivity as required under the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accounts, reviewed the terms of their engagement, nature and scope of the audit and reporting obligations.

The Audit Committee is satisfied with the findings of their review of the engagement process, effectiveness, independence and objectivity of the Independent Auditor.

The Audit Committee has recommended to the Board and the Board has concurred with the nomination of Messrs. Deloitte Touche Tohmatsu, for reappointment as independent auditor of the Company at the forthcoming AGM.

SECURITIES TRANSACTION BY THE RELEVANT EMPLOYEES

Under the Code Provision A.6.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for Directors and relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of inside information in relation to the Group and its securities. Having made specific enquiry to all Relevant Employees, the Company confirms that all Relevant Employees have complied with the written guidelines regarding securities transactions during the Year.

核數師薪酬

於年內，本公司核數師德勤•關黃陳方會計師行提供專業服務之薪酬載列如下：

	(RMB'000) (人民幣千元)
Audit services	3,783
Non-audit services	430

非審核服務包括中期報告審閱、持續關連交易審閱及內部控制評估。

審核委員會已考慮香港會計師公會所頒佈專業會計師道德守則項下規定之獨立核數師獨立性及客觀性，並審閱其委聘條款、審核之性質及範圍以及報告責任。

審核委員會信納其就獨立核數師之委聘過程、有效性、獨立性及客觀性進行之審閱結果。

審核委員會已向董事會建議於應屆股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司之獨立核數師，而董事會已就此同意審核委員會之意見。

有關僱員進行證券交易

根據企業管治守則之守則條文第A.6.4條，董事會已就董事及有關僱員進行本公司證券交易以書面制定不遜於標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能掌握與本集團及其證券有關內幕消息。經對全體有關僱員進行特定查詢後，本公司確認，全體有關僱員於年內一直遵守有關證券交易之書面指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

During the Year, the company secretary, Mr, TSUI Kin Fung, undertook at least 20 hours of relevant professional training, was an employee of the Company.

公司秘書

年內，公司秘書徐建峰先生已進行至少20個小時相關專業培訓。

SHAREHOLDERS' MEETINGS

Details of Directors' attendance records of the general meetings held during the Year were as follows:

股東大會

董事於年內舉行之股東大會之出席記錄詳情如下：

Number of meeting held during the Year	年內舉行之大會次數	Annual General Meeting held on 27 April 2018	Extraordinary General Meeting held 27 April 2018
		於二零一八年四月二十七日舉行之股東週年大會	於二零一八年四月二十七日舉行之股東特別大會
<i>Non-executive Directors</i>			
Mr. XU Yongjun (Note 1)	非執行董事 許永軍先生(附註1)	0/1	0/1
Mr. HUANG Junlong	黃均隆先生	1/1	1/1
Dr. YAN Chengda (Note 2)	YAN Chengda博士(附註2)	0/1	0/1
Ms. LIU Ning (Note 3)	劉寧女士(附註3)	0/1	0/1
<i>Executive Directors</i>			
Dr. SO Shu Fai	執行董事 蘇樹輝博士	1/1	1/1
Mr. YU Zhiliang	余志良先生	1/1	1/1
Mr. WONG King Yuen	黃競源先生	1/1	1/1
<i>Independent non-executive Directors</i>			
Dr. WONG Wing Kuen, Albert (Note 4)	獨立非執行董事 王永權博士(附註4)	0/1	0/1
Ms. CHEN Yanping (Note 4)	陳燕萍女士(附註4)	0/1	0/1
Dr. SHI Xinping	史新平博士	1/1	1/1
Mr. HE Qi	何琦先生	1/1	1/1

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SHAREHOLDERS' MEETINGS (continued)

Notes:

- (1) Appointed as non-executive Director, the chairman of the Board and the chairman of the nomination committee of the Company with effect from 18 March 2016. Due to business affairs, Mr. XU could not attend the annual general meeting held on 27 April 2018, and the extraordinary general meetings held on 27 April 2018 and 19 December 2017. He had appointed Mr. HUANG to act on his behalf on 27 April 2018.
- (2) Appointed as non-executive Director of the Company with effect from 18 March 2016. Dr. YAN could not attend annual general meeting and extraordinary general meeting on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders. Dr. YAN has resigned on 13 August 2018.
- (3) Ms. LIU could not attend the annual general meeting and the extraordinary general meeting held on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.
- (4) Dr. WONG and Ms. CHEN could not attend the annual general meeting and extraordinary general meeting on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. XU Yongjun, Dr. YAN Chengda (who has resigned on 13 August 2018) and Ms. LIU Ning, the non-executive Directors and Dr. WONG Wing Kuen, Albert and Ms. CHEN Yanping, an independent non-executive Director, did not attend the AGM and extraordinary general meeting of the Company held on 27 April 2018 due to other business engagement. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. XU Yongjun, chairman of the Board, could not attend the AGM held on 27 April 2018 due to other business engagement which was a deviation from Code Provision E.1.2. However, he had appointed Mr. HUANG Junlong, a non-executive Director as his alternate director who chaired the AGM and answered questions for shareholders of the Company.

股東大會(續)

附註：

- (1) 自二零一六年三月十八日起獲委任為非執行董事、董事會主席兼本公司提名委員會主席。由於商務理由，許先生未能出席於二零一八年四月二十七日舉行之股東週年大會以及於二零一八年四月二十七日及二零一七年十二月十九日舉行之股東特別大會。彼已委任黃先生於二零一八年四月二十七日代表彼行事。
- (2) 自二零一六年三月十八日起獲委任為本公司獨立非執行董事。YAN博士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。YAN博士已於二零一八年八月十三日辭任。
- (3) 劉女士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。
- (4) 王博士及陳女士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。

守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，以對股東之意見有公正之理解。非執行董事許永軍先生、YAN Chengda博士（已於二零一八年八月十三日辭任）及劉寧女士以及獨立非執行董事王永權博士及陳燕萍女士因其他事務未能出席於二零一八年四月二十七日舉行之本公司股東週年大會及股東特別大會。然而，會有足夠之執行董事、獨立非執行董事及非執行董事出席，以確保董事會對本公司股東之意見有公正之理解。

守則條文第E.1.2條訂明，董事會主席應出席股東週年大會。董事會主席許永軍先生因其他事務未能出席於二零一八年四月二十七日舉行之股東週年大會，此乃偏離守則條文第E.1.2條。然而，彼已委任非執行董事黃均隆先生為彼之替任董事，以主持股東週年大會及回答本公司股東疑問。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' MEETINGS (continued)

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company established different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms and other corporate information) required under the Listing Rules; (ii) the general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as the respective chairman of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees are available to answer questions for shareholders and stakeholders at the general meetings; (iii) the Company's registrars deal with shareholders for share registration and related matters; and (iv) the Directors and/or investor relationship team of the Company handles enquiries from shareholders and investors generally.

SHAREHOLDERS' RIGHT

The Company is committed to pursue active dialogue with shareholders as well as to provide disclosure of information concerning the Group's material developments to shareholders, investors and other stakeholders.

AGM of the Company serves as an effective forum for communication between shareholders and the Board. Notice of the AGM together with the meeting materials are despatched to all shareholders not less than 21 days and not less than 20 business days prior to the AGM.

The chairman of the Board and of Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, other members of the respective Committees, are invited to the AGM to answer questions from shareholders. External auditors are also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

股東大會(續)

本公司認為與股東之有效溝通，對改善投資者關係以及讓投資者了解本集團之業務表現及策略而言至關重要。本公司亦重視公司資料之透明度且及時披露之情況，以使股東及投資者作出最佳投資決策。

本公司與股東及投資者已建立不同的溝通途徑，包括(i)上市規則所規定公司通訊之印刷本(包括但不限於年報、中期報告、會議通告、通函及代表委任表格以及其他公司資料)；(ii)本公司股東大會為董事會及股東之間提供溝通平台。董事會主席及提名委員會、薪酬委員會及審核委員會各自之主席(或倘彼等缺席，則相關委員會之其他成員)將於股東大會上回應股東及權益持有人之提問；(iii)本公司之股份過戶登記處為股東處理股份登記及相關事宜；及(iv)董事及/或本公司投資者關係團隊一般處理股東及投資者之查詢。

股東權利

本公司致力尋求與股東開展積極對話，並向股東、投資者及其他權益持有人披露有關本集團重大發展的資料。

本公司之股東週年大會為股東與董事會提供一個有效之溝通平台。股東週年大會通告連同會議資料均於召開股東週年大會前不少於21日及不少於20個營業日寄發予全體股東。

董事會、審核委員會、薪酬委員會及提名委員會之主席或如彼等未能出席，則由各委員會之其他成員獲邀出席股東週年大會並於會上回答股東問題。外聘核數師亦獲邀出席股東週年大會並於會上回答有關審核工作、編製核數師報告及報告內容、會計政策及核數師獨立性問題。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHT *(continued)*

The Company's last AGM was held on 27 April 2018 and extraordinary general meeting was held on 27 April 2018. All the resolutions proposed at these meetings were approved by shareholders of the Company by poll. Details of the poll results are available under the "Announcements and Notices" section of the Company's website at <http://ir.cmland.hk>.

Vote of shareholders at general meeting will be taken by poll in accordance with the Listing Rules, unless otherwise required and permitted. Detailed procedures for conducting a poll will be explained to the shareholders at the inception of general meeting to ensure that shareholders are familiar with such voting procedures. Separate resolution will be proposed by the chairman of general meeting in respect of each substantial issue. The poll results will be posted on the websites of the Company and the Stock Exchange on the same business day of the general meeting.

Pursuant to the Articles of Association of the Company, general meetings can be convened on the written requisition of any two or more members of the Company deposited at the principal place of business of the Company in Hong Kong at:

Room 2603 to 2606, 26/F, China Merchants Tower
Shun Tak Centre
Nos. 168–200 Connaught Road Central
Hong Kong

股東權利(續)

本公司上屆股東週年大會已於二零一八年四月二十七日舉行，而股東特別大會已分別於二零一八年四月二十七日舉行。會上所有提呈決議案以點算股數方式表決獲本公司股東批准。有關表決結果之詳情載於本公司網站<http://ir.cmland.hk>「公告及通告」一欄。

除非另有規定及允許，否則股東將根據上市規則於股東大會上以點算股數方式表決投票。投票程序詳情將於股東大會開始時向股東說明，以確保股東熟悉該等投票程序。股東大會主席將會就每項重要事宜個別提出決議案。投票結果將於召開股東大會同一個營業日內於本公司及聯交所網站刊登。

根據本公司之組織章程細則，股東大會可應本公司任何兩名或多名股東之書面請求而召開，有關請求須送達本公司於香港之主要辦事處：

香港
干諾道中168–200號
信德中心
招商局大廈26樓2603至2606室

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHT (continued)

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 of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal place of business of the Company in Hong Kong as set out above specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist 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 requisitionist(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 requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

CORPORATE COMMUNICATION

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will also be included in the circular to shareholders dispatched together with this report.

The Group maintains a website of <http://ir.cmland.hk> which enables shareholders of the Company, investors and the general public to access to the information of the Group on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

股東權利(續)

當中列明大會之主要商議事項並由請求人簽署，惟該等請求人於送達請求之日須持有本公司不少於十分之一之實繳股本(附帶本公司股東大會之投票權)。股東大會亦可應本公司任何一名股東(為一間認可結算所(或其代理人))之書面請求而召開，有關請求須送達上述本公司於香港之主要營業地點，當中列明大會之主要商議事項並由請求人簽署，惟該請求人於送達請求之日須持有本公司不少於十分之一之實繳股本(附帶本公司股東大會之投票權)。倘董事會於送達請求之日起計21日內未有按既定程序召開大會(該大會將在請求發出日後21天內舉行)，則請求人本身或代表彼等所持全部投票權超過半數以上之任何請求人可按盡量接近董事會召開大會之相同方式召開股東大會，惟按上述方式召開之任何大會不得於送達有關請求之日起計三個月屆滿後召開，且本公司須向請求人償付彼等因應董事會未有召開大會而產生之所有合理費用。

企業通訊

本集團應於上市規則所載時限前適時公佈其年度業績及中期業績。於股東週年大會上將就各個別事項提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以點算股數表決之程序將納入連同本報告寄發予股東之通函內。

本集團設立<http://ir.cmland.hk>網站使本公司股東、投資者及公眾人士可適時獲得本集團資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

股東如對名下持股有任何問題，應向本公司之香港股份過戶登記分處卓佳登捷時有限公司提出，地址為：香港皇后大道東183號合和中心22樓。