

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES AND FUNCTIONS

The Company is committed to good corporate governance which it believes to be core to the success of its business and operations.

The corporate governance functions are undertaken by the Board of Directors (the “Board”) as prescribed by code provision D.3.1 of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) which are included in the Board’s terms of reference.

During the year ended 31 March 2019, the Company fully complied with the code provisions of the CG Code save for a deviation of E.1.2 (Chairman of the Board’s attendance of the annual general meeting (“AGM”)). Details and reasons for the deviation are set out below in the paragraph headed “Attendances of General Meetings, Board and Board Committee Meetings”.

### THE BOARD OF DIRECTORS

#### BOARD COMPOSITION

The Board currently comprises eleven Directors of which four are Executive Directors (“EDs”) and seven are Non-executive Directors (“NEDs”) of whom four and hence, with more than one-third of the Board, are Independent Non-executive Directors (“INEDs”). Each Director possesses skills and experience appropriate to the business of the Group and the particulars of Directors are duly set out in the section headed “Biographical Details of Directors” on pages 40 to 44 of 2018/2019 annual report.

Save for Mr Payson CHA, Mr Victor CHA, Mr Johnson CHA and Ms Madeline WONG who are siblings, all other Directors have no family relationship with each other.

#### DIRECTORS’ RESPONSIBILITIES

The Board has the responsibility for strategic leadership, control and providing guidance to Management to ensure the Company’s objectives are achieved.

Upon appointment to the Board, every Director is given comprehensive and formal induction documentation of the business operation of the Group and information for his/her understanding and awareness of his/her responsibilities as Director under the Listing Rules, legal and other regulatory and statutory requirements together, if required, with brief meetings with senior executives and department heads of the Group.

### 企業管治常規及職能

本公司致力達致良好企業管治，並深信此乃令其業務及營運取得成功之核心因素。

企業管治職能由董事會（「董事會」）按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則（「企管守則」）守則條文第D.3.1條之規定承擔，並已列入董事會之職權範圍。

於截至2019年3月31日止年度，本公司已全面遵守企管守則之守則條文，惟偏離第E.1.2條（董事會主席應出席股東週年大會（「股東年會」））除外。偏離事項之詳情及原因已載於下文「股東大會、董事會及董事會委員會會議之出席率」一段。

### 董事會

#### 董事會組成

董事會目前由11名董事組成，其中四名為執行董事（「執董」）及七名為非執行董事（「非執董」），當中四名為獨立非執行董事（「獨董」），故獨董超過董事會成員三分之一。各董事均具備適合集團業務所需之技能及經驗。各董事之履歷詳情載於2018/2019年報第40頁至第44頁之「董事之履歷」一節內。

除查懋聲先生、查懋成先生、查懋德先生及王查美龍女士為兄弟姊妹外，所有其他董事彼此之間並無親屬關係。

#### 董事職責

董事會負責領導策略、監控及給予管理層指引，以確保達到本公司之目標。

每名董事於獲委任加入董事會時會獲派全套有關集團業務營運之正式文件，以及讓彼了解及知悉彼作為董事於上市規則、法律、其他監管及法定要求項下職責之資料，並與集團高級行政人員及部門主管作簡單會面（如需要）。

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Group and has informed the Company in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. Details of Directors' other appointments are shown in the section headed "Biographical Details of Directors" on pages 40 to 44 of 2018/2019 annual report.

A list of the Directors, their roles and functions and, in particular whether they are INEDs, is maintained on the websites of the Company and the Stock Exchange and is updated as and when required.

### BOARD PROCEDURES

The dates of the regular Board meetings in a particular year are scheduled ahead to give all Directors adequate time to plan their schedules to attend meetings. There are four regular Board meetings in a year which are held on a quarterly basis and ad hoc Board meetings will also be held as and when required. For the year ended 31 March 2019, four Board meetings were held and attendance records of the Board meetings held during the year are set out in the below paragraph headed "Attendances of General Meetings, Board and Board Committee Meetings".

At least 14 days formal notice would be given before each regular Board meeting and reasonable advance notice would also be given for other Board meetings. All Directors are consulted as to whether they wish to include any matters in the agenda and the Chairman of the Board would review and approve the agenda before the agenda for each Board meeting is issued.

Agendas and accompanying Board papers are sent to all Directors/ Board Committees members at least three days (or such other period as agreed) before meetings. With the assistance of the EDs, the Chairman of the Board seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate documents and information about the Group in a timely manner. The Chairman of the Board, or in his absence, the Deputy Chairman and Managing Director, leads meetings and ensures that all key and appropriate issues are discussed by the Directors in a timely manner. Directors are provided sufficient time for discussion on issues in the meetings and encouraged to express their viewpoints on the Board's affairs and voice their concerns, if any. The Chairman directs discussions in the meetings in reaching a consensus and consolidates discussions with conclusions. Minutes of Board/Board Committees meetings record matters considered and decisions reached. Draft and final signed minutes of Board/ Board Committees meetings are sent to all Directors for their comment and records respectively.

各董事保證彼能對集團事務投入足夠時間及關注，並已就彼於公眾公司或機構所擔任職位及其他重大承擔之變動、數目及性質適時通知本公司。董事之其他委任詳情載於2018/2019年報第40頁至第44頁之「董事之履歷」一節內。

董事名單、彼等之角色及職能，以及尤其彼等是否獨董之資料已存置於本公司及聯交所網站，並於有需要時作出更新。

### 董事會運作

每年召開之董事會常規會議日期乃預定，使所有董事有充裕時間安排出席會議。每年召開四次董事會常規季度會議，並於有需要時召開董事會特別會議。於截至2019年3月31日止年度內，本公司舉行四次董事會會議，而董事出席年內董事會會議之記錄載於下文「股東大會、董事會及董事會委員會會議之出席率」一段。

每次董事會常規會議將於最少14天前發出正式通知，而其他董事會會議亦會發出合理之事先通知。每名董事均獲諮詢是否須就議程加入任何事項，而董事會主席將於發出每次董事會會議議程前審閱及批准議程。

議程連同董事會文件於會議至少三天(或其他協定之期間)前寄發予所有董事/董事會委員會成員。在執董之協助下，董事會主席致力確保全體董事獲妥善地簡述董事會會議處理之事務，並適時獲取有關集團之充足文件及資料。董事會主席或(倘彼缺席)副主席兼董事總經理主持會議及確保董事適時就所有重要及適當之事項進行討論。於會議上，董事獲得充裕之時間討論議題，且均獲鼓勵就董事會之事務表達觀點及關注之事宜(如有)。主席於會上帶領討論以達致共識及作出討論總結。董事會/董事會委員會之會議記錄載列所考慮之事項及所作出之決定。草擬及最終經簽署之董事會/董事會委員會會議記錄分別發送給全體董事以供彼等給予意見及作存檔。

The Chairman of the Board meets at least once annually with the INEDs without the presence of EDs and NEDs. In March 2019, the Chairman of the Board met the INEDs without the presence of EDs and NEDs and three out of four INEDs attended the meeting.

Where necessary, INEDs meet privately to discuss matters which are their specific responsibilities. During the year, no such meeting was required to be held.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The CG Code requires that the roles of chairman and chief executive officer should be separated and not be performed by the same individual to ensure there is a clear division of responsibilities between the Board and the executives who run the business.

The roles of Chairman, Deputy Chairman and Managing Director of the Company have been taken up by two different individuals who are brothers. Mr Payson CHA is the Chairman and Mr Victor CHA is the Deputy Chairman and Managing Director of the Company. Their respective roles and responsibilities are clearly separated and set out in writing.

The Chairman is mainly responsible for setting the Company's direction in consultation with the Board and for the macro oversight of the management. With the support of the Company Secretary and the Corporate Governance Committee, the Chairman also takes primary responsibility to establish good corporate governance practices and procedures of the Company. The Managing Director, with the support of EDs (who are in charge of different businesses and functional divisions in accordance with their respective areas of expertise), is responsible for strategic planning of different business functions and day-to-day management and operation of the Group.

## NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS)

NEDs of the Company are appointed with a specific term of three years which is subject to retirement by rotation and re-election of Directors under the Articles of Association of the Company (the "Articles"). Details of the mechanism are set out in below paragraph headed "Appointments, Re-election and Removal".

The roles and responsibilities of NEDs are clearly set out in writing. NEDs are not involved in the day-to-day management of the Group's businesses but participate in Board/Board Committee meetings where they bring independent views and judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct.

董事會主席每年亦至少一次於沒有執董及非執董出席之情況下與獨董會面。董事會主席於2019年3月在沒有執董及非執董出席之情況下與獨董會面，四名獨董中有三名出席會面。

於必要時，獨董會私下會面以討論彼等特定負責之事務。於年內，概無需要舉行有關會議。

## 主席及行政總裁

企管守則規定主席及行政總裁之角色應有所區分，並不應由同一人兼任，以明確區分董事會與負責營運之行政人員之職責。

本公司主席、副主席兼董事總經理之職位由兩名關係為兄弟之不同人士擔任。查懋聲先生為本公司主席，查懋成先生則出任副主席兼董事總經理，兩者各自之職務及職責已明確區分並以書面訂明。

主席主要負責於諮詢董事會後制訂本公司方向，並從宏觀層面監督管理層之工作。主席在公司秘書及企業管治委員會之協助下亦肩負確立本公司良好企業管治常規及程序之重任。董事總經理則在執董（彼等根據其各自之專業範疇負責不同之業務及職能部門）之協助下負責集團不同業務職能之策略性規劃及日常管理和營運。

## 非執行董事（包括獨立非執行董事）

本公司之非執董均按三年期之特定年期獲委任，並須按公司組織章程細則（「章程細則」）輪值退任及膺選連任。有關機制詳情載於下文「委任、重選和罷免」一段。

非執董之職務及職責均以書面清晰訂明。彼等並無參與集團業務之日常管理，惟透過參與董事會/董事會委員會會議，就集團之策略、政策、表現、問責性、資源、要員任命及操守準則等事宜提供獨立觀點及判斷。

INEDs, in particular, will oversee the management and the Company implementing the rules, procedures and plans established and help ensure that the interests of the shareholders as a whole are taken into account by the Board. Each of the INEDs has provided to the Company an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules and the Company considers that all of them continue to be independent with reference to the terms of guidelines set out in the relevant requirements of the Listing Rules.

### APPOINTMENTS, RE-ELECTION AND REMOVAL

The Articles stipulate that at each AGM, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years and any Director appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following AGM (in the case of a new appointment to the Board) and be eligible to offer for re-election. Re-election of each eligible Director is subject to approval by shareholders at the general meeting of the Company.

### DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Directors are provided with continuous updates on latest changes or material development in laws, the Listing Rules, corporate governance practices relating to the duties and responsibilities of Directors and are encouraged to participate in continuous professional development seminars to update their knowledge for discharging directors' responsibilities.

During the year, existing Directors have participated in the following various continuous professional development activities in order to develop and refresh their skills and knowledge. Each Director has provided his/her training record to the Company with particulars set out as follows:

獨董監察管理層及本公司已制訂之規則、程序及計劃之執行情況，協助確保董事會已考慮股東之整體利益。各獨董已根據上市規則第3.13條向本公司作出年度獨立性確認，而本公司參照上市規則相關規定所載之指引條款認為彼等均繼續保持獨立。

### 委任、重選和罷免

章程細則規定，於每屆股東年會上，當時在任之三分之一董事（或倘董事數目並非三或其倍數，則最接近但不少於三分之一）須輪值退任，惟每名董事均須至少每三年輪值退任一次，而獲董事委任之任何董事任期（如屬填補臨時空缺）僅至本公司下次股東大會為止，或（如屬董事會新增成員）直至下屆股東年會為止，並符合資格可膺選連任。每名合資格董事之重選須在本公司股東大會經股東批准。

### 董事之持續專業發展

董事不時獲得有關董事職務及職責之法例、上市規則、企業管治常規之最新修訂或重大發展之更新資料，彼等亦獲鼓勵參與持續專業發展研討會，以更新彼等履行董事職責之知識。

於年內，在任董事已參與下述多個持續專業發展活動以發展並更新其技能及知識。各董事已向本公司提供彼之培訓記錄，詳情載列如下：

Name of Director	董事姓名	Type of training(s) 培訓類型
Payson CHA	查懋聲	A
Victor CHA	查懋成	A
Abraham CHUNG	鍾心田	A, B
TANG Moon Wah	鄧滿華	A
Ronald ARCULLI	夏佳理	A, B, C
Johnson CHA	查懋德	A, B
Madeline WONG	王查美龍	A
Linus CHEUNG	張永霖	A, B
Henry FAN	范鴻齡	A
Loretta HO	何柏貞	A
TANG Kwai Chang	鄧貴彰	A, B

Notes:

A. Reading/viewing materials/articles/videos in relation to director responsibilities and updates on the statutory and regulatory requirements.

B. Attending seminars/workshops/forums/conferences/classes/meetings in relation to director development, updated statutory and regulatory requirements and developments on risk management, technology, data security and corporate governance as well as financial, commercial, legal and economic environments.

C. Speaking topic(s) in relation to development of leadership and insurance as well as finance, economic and/or commercial environments.

## DELEGATION BY THE BOARD

The Board has delegated and set out levels of authority and expressed terms of reference for the Board Committees and reserves the rights to oversee and decide all other non-delegated matters, in particular, major acquisitions or disposals and connected transactions. The Board also delegates certain management and administration functions to the Management as it considers appropriate from time to time, with directions as to the powers of Management, including circumstances where management shall report to and obtain prior approval from the Board.

## BOARD COMMITTEES

The Board has set up the Remuneration Committee, Audit Committee, Nomination Committee and other committees, namely Finance Committee, Investment/Divestment Committee, Buy-back, Reissue and Transfer of Shares Committee and Inside Information Committee. During the year, the Board has also set up a new committee in September 2018, namely Corporate Governance Committee for the purpose to enhance the corporate governance of the Group. The Board will from time to time review the terms of references or relevant policies of such committees. The Board may also on a need basis set up special committees with clear terms of reference to deal with specific transactions or matters of the Company.

## NOMINATION COMMITTEE

The Nomination Committee of the Company was established on 26 March 2012 and its terms of reference follow closely the requirements of the CG Code. The full text of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

附註：

A. 閱讀/觀看有關董事責任、以及法例及監管要求之更新資料/文章/錄像。

B. 出席有關董事發展、更新法例及監管要求、以及有關風險管理、科技、數據安全、企業管治及財務、商業、法律、經濟環境發展之研討會/工作坊/論壇/大會/課堂/會議。

C. 就有關領導能力及保險發展，以及金融、經濟及/或營商環境之議題進行演講。

## 董事會之授權

董事會已向董事會委員會授權、制訂權力級別及明確職權範圍，並保留監管及決定所有其他未授權事項之權力，尤其是主要收購或出售事項及關連交易。董事會亦不時賦予管理層其認為合適之若干管理及行政職能，就管理層之權力提供指引，包括管理層須向董事會匯報及取得董事會事先批准之情況。

## 董事會委員會

董事會已設立薪酬委員會、審核委員會、提名委員會及其他委員會，分別為財務委員會、投資/撤資委員會、回購、再發行及轉讓股份委員會及內幕消息委員會。於年內，董事會亦已於2018年9月設立新委員會—企業管治委員會，以提升集團之企業管治。董事會將不時審閱該等委員會之職權範圍或相關政策。董事會亦可於有需要時成立具有清晰職權範圍之特別委員會，以處理本公司特定交易或事宜。

## 提名委員會

本公司提名委員會於2012年3月26日成立，其職權範圍緊隨企管守則之規定。提名委員會職權範圍之全文可於本公司及聯交所網站上閱覽。



The terms of reference of the Nomination Committee require, inter alia, that the Nomination Committee comprises no less than three members with a majority of INEDs and the Chairman must be either an INED or the Chairman of the Board. The Nomination Committee currently comprises three members, namely Mr Payson CHA, the Chairman of the Board, Ms Loretta HO and Mr TANG Kwai Chang. The Nomination Committee is chaired by Mr Payson CHA.

The principal role and function of the Nomination Committee is to identify and recommend to the Board suitably qualified persons to become members of the Board, to review the structure, size and composition of the Board on a regular basis, to maintain (i) a policy concerning diversity of Board members (the “Board Diversity Policy”) and consider the measurable objectives, if required, for recommending to the Board for adoption; and (ii) a newly adopted policy concerning nomination of Director (the “Director Nomination Policy”). The Nomination Committee is entitled to seek independent professional advice, at the Company’s expenses, if it considers necessary in order to perform its duties.

The Board Diversity Policy was adopted by the Board in March 2013. Pursuant to the policy, the Nomination Committee will review, discuss and agree annually all measurable objectives in accordance with the structure, size and composition of the Board for achieving diversity on the Board and recommend them, if any, to the Board for adoption. The Nomination Committee also monitors the progress and its policy implementation for annual reporting in the corporate governance report. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The policy will be reviewed by the Nomination Committee on an annual basis and when required to ensure effectiveness.

The Director Nomination Policy was adopted by the Board in November 2018. Pursuant to the policy, the Nomination Committee will discuss and consider the nomination of candidates from various sources for new Directors, examine the qualification of these candidates, and then recommend such candidates to the Board, which have the final authority on determining the selection of such candidate to be appointed as a Director. The major criteria considered by the Nomination Committee are, inter alia, candidates’ educational backgrounds, experience and expertise in their chosen industries, their proposed commitment to the Company and the goal of diversity of the Board (if any). Regarding the nomination of INEDs, the Nomination Committee will also particularly consider the independence of such candidates. The policy will be reviewed by the Nomination Committee on an annual basis and when required to ensure effectiveness.

提名委員會職權範圍規定(其中包括)提名委員會由不少於三名成員組成,其中大部份成員必須為獨董,而主席須由一名獨董或董事會主席擔任。提名委員會現時由三名成員組成,分別為董事會主席查懋聲先生、何柏貞女士及鄧貴彰先生。查懋聲先生為提名委員會主席。

提名委員會主要職務及職能為物色及向董事會推薦具備合適資格成為董事會成員之人士,定期檢討董事會之架構、人數及組成以及維持(i)董事會成員多元化政策(「董事會多元化政策」),並於有需要時考慮可測計目標以建議董事會採納;及(ii)新採納之董事提名政策(「董事提名政策」)。提名委員會有權按其認為就履行職責所需徵求獨立專業意見,費用由本公司承擔。

董事會多元化政策已於2013年3月獲董事會採納。根據該政策,提名委員會將就董事會之架構、人數及組成每年進行檢討、商討及協定達致董事會多元化之所有可測計目標,並建議董事會採納該等目標(如有)。提名委員會亦會監督有關進度及其政策履行以於企業管治報告內作年度匯報。候選人之選擇基於多方面考慮,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、知識及服務年期,並基於所選之候選人將可為董事會所帶來之裨益及貢獻而作最終決定。提名委員會將每年及於必要時檢討該政策以確保其有效性。

董事提名政策已於2018年11月獲董事會採納。根據該政策,提名委員會將討論及考慮提名從不同途徑物色的候選人為新任董事、審核有關候選人之資歷,然後向董事會推薦有關人選,董事會則就委任有關候選人為董事擁有最終決定權。提名委員會所考慮之主要標準為(其中包括)候選人之教育背景、其於所從事行業之經驗及專業知識、其擬對本公司投放之時間及董事會多元化之目標(如有)。就獨董之提名而言,提名委員會亦將特別考慮有關候選人之獨立性。提名委員會將每年及於必要時檢討該政策以確保其有效性。

During the year, the Nomination Committee in a meeting held in March 2019 has (a) reviewed the retirement of Directors and recommended to the Board the re-election of Mr Abraham CHUNG, Mr Johnson CHA, Mr Ronald ARCULLI and Mr Linus CHEUNG at the forthcoming AGM of the Company to be held in August 2019; (b) reviewed, assessed and considered all INEDs are independent; (c) reviewed, assessed and considered the adequacy and effectiveness of the Board Diversity Policy and Director Nomination Policy; and (d) reviewed the structure, size and composition of the Board during the year of 2018/2019 and considered that the current diversity of the Board appropriate and it was not necessary to set out any measurable objectives for enhancing the diversity of the Board for the year of 2019/2020. The records of the meeting held of the Nomination Committee during the year are set out in the below paragraph headed "Attendances of General Meetings, Board and Board Committee Meetings".

## REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established on 2 December 2004 and its terms of reference follow closely the requirements of the CG Code. The full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The terms of reference of the Remuneration Committee require, inter alia, that the Remuneration Committee comprises no less than three members with a majority of INEDs. The Remuneration Committee currently comprises three members, namely Mr Linus CHEUNG, Mr Henry FAN and Mr Victor CHA with Mr Linus CHEUNG acting as the Chairman of the Remuneration Committee.

The principal role and function of the Remuneration Committee is to exercise the powers of the Board to review and determine the remuneration packages of individual EDs and senior management, if any, including salaries, bonuses, benefits in kind, share options and other plans. Such factors as remuneration paid for comparable positions, time commitment and responsibilities of the EDs and senior management as well as the Company's remuneration policy will be considered. The Remuneration Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.

During the year, no Remuneration Committee meeting was held but the Remuneration Committee reviewed and approved (a) 2018/2019 salary increment proposal for the EDs; (b) 2018/2019 bonus proposal for the EDs; (c) housing allowance proposal for certain EDs; (d) ex-gratia payment proposal for an ED; (e) proposal on the employment extension of an ED; and (f) proposal on the grant of share options to Directors and employees by means of circulation or written resolution. During the year, the Remuneration Committee also reviewed the director's fee to NEDs and considered which is adequate. The records of circulated electronic communication and written resolution of the Remuneration Committee during the year are duly set out in the below paragraph headed "Attendances of General Meetings, Board and Board Committee Meetings".

於年內，提名委員會已於2019年3月所舉行之會議(a)審閱董事之退任事宜並就將於2019年8月舉行之本公司應屆股東年會上重選鍾心田先生、查懋德先生、夏佳理先生及張永霖先生向董事會作出推薦建議；(b)審閱、評估及考慮所有獨董之獨立性；(c)審閱、評估及考慮董事會多元化政策及董事提名政策是否屬合適及有效；及(d)審閱2018/2019年度之董事會架構、人數及組成，並認為現有之董事會多元化水平為適當及毋須就提升2019/2020年度之董事會多元化水平而設立任何可測計目標。年內所舉行提名委員會會議之記錄載於下文「股東大會、董事會及董事會委員會會議之出席率」一段。

## 薪酬委員會

本公司薪酬委員會於2004年12月2日成立，其職權範圍緊隨企管守則之規定。薪酬委員會職權範圍之全文可於本公司及聯交所網站上閱覽。

薪酬委員會職權範圍規定(其中包括)薪酬委員會須由不少於三名成員組成，其中大部份成員必須為獨董。薪酬委員會現時由三名成員組成，分別為張永霖先生、范鴻齡先生及查懋德先生，其中張永霖先生為薪酬委員會主席。

薪酬委員會之主要職務及職能為行使董事會權力，以檢討及釐定個別執董及高層管理人員(如有)之薪酬待遇，包括薪金、花紅、實物利益、股份期權及其他計劃。薪酬委員會將考慮與執董及高層管理人員可作比較職位所給予之薪酬、所付出之時間及職責，以及本公司之薪酬政策等因素。薪酬委員會有權按其認為就履行職責所需尋求獨立專業意見，費用由本公司承擔。

於年內，薪酬委員會並無舉行會議，惟薪酬委員會成員透過傳閱或以書面決議案方式審閱及批准有關(a)執董2018/2019年度之加薪建議；(b)執董2018/2019年度之花紅建議；(c)向若干執董發放房屋津貼之建議；(d)給予執董特惠金之建議；(e)延長執董僱傭期限之建議；及(f)向董事及僱員授予股份期權之建議。於年內，薪酬委員會亦已檢討非執董之袍金並認為恰當。年內薪酬委員會電子通訊傳閱及書面決議案之記錄載於下文「股東大會、董事會及董事會委員會會議之出席率」一段。

### AUDIT COMMITTEE

The Audit Committee of the Company was established on 17 July 1998 and its terms of reference follow closely the requirements of the CG Code. The full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The terms of reference of the Audit Committee require, inter alia, that the Audit Committee comprises not less than three members who are NEDs and a majority of them must be INEDs of the Company. The Audit Committee currently comprises three members, namely Mr TANG Kwai Chang, Mr Linus CHEUNG and Ms Loretta HO with Mr TANG Kwai Chang leading the Audit Committee as the Chairman.

The principal role and function of the Audit Committee is to assist the Board in meeting its responsibilities for ensuring an effective system of risk management and internal controls and compliance, as well as meeting its external financial reporting objectives. The Audit Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.

During the year, four Audit Committee meetings were held, of which three meetings were held with senior management and the Independent Auditor and has (a) reviewed the client service plan for audit of the financial statements of the Group for the year ended 31 March 2018; (b) review and receive the report of risk management review for the year ended 31 March 2018; (c) considered the Independent Auditor's projected audit and non-audit services fees; (d) reviewed the independence of the Independent Auditor, the nature and scope of the audit and recommended the re-appointment of Messrs Deloitte Touche Tohmatsu ("Deloitte") as the Independent Auditor of the Company; and (e) reviewed and discussed the interim and final financial statements and the Independent Auditor's review and report for the Board's approval. During two of these three meetings, the Audit Committee also met with the head of the Internal Audit Department of the Company to receive their work plan and, review and discuss on their findings and rectification actions taken by the business units. Another Audit Committee meeting was held in October 2018 for a site visit and to assess risk management and internal control systems for the joint venture property development project in Hong Kong, namely La Cresta. More details about the risk management and internal control systems are set out in below paragraph headed "Risk Management and Internal Controls".

### 審核委員會

本公司審核委員會於1998年7月17日成立，其職權範圍緊隨企管守則之規定。審核委員會職權範圍之全文可於本公司及聯交所網站上閱覽。

審核委員會之職權範圍規定(其中包括)審核委員會須由不少於三名非執董成員組成，其中大部份成員必須為本公司獨董。審核委員會現時由三名成員組成，分別為鄧貴彰先生、張永霖先生及何柏貞女士，其中鄧貴彰先生擔任主席帶領審核委員會。

審核委員會之主要職務及職能為協助董事會履行其職責以確保風險管理及內部監控系統以及守章制度行之有效，並達致其對外財務匯報之目的。審核委員會有權按其認為就履行職責所需尋求獨立專業意見，費用由本公司承擔。

於年內，審核委員會舉行了四次會議，其中三次會議與高層管理人員及獨立核數師會面，以及已(a)審閱有關審核截至2018年3月31日止年度集團財務報表之客戶服務計劃；(b)審閱及省覽截至2018年3月31日止年度之風險管理審閱報告；(c)考慮獨立核數師之審核及非審核服務之預計費用；(d)審閱獨立核數師之獨立性、審核性質與範圍以及建議續聘德勤•關黃陳方會計師行(「德勤」)為本公司獨立核數師；及(e)審閱及討論中期及全年財務報表，以及獨立核數師之審閱報告以提交董事會批准。於該三次會議的其中兩次，審核委員會亦與本公司內部審核部門主管會面，以獲取其工作計劃，以及審核並討論其調查結果及各業務部門採取之糾正行動。審核委員會另一次會議於2018年10月舉行，以進行實地考察並評估香港合資物業發展項目-尚珩之風險管理及內部監控系統。有關風險管理及內部監控系統之更多詳情載於下文「風險管理及內部監控」一段。



## CORPORATE GOVERNANCE COMMITTEE

During the year, the Board set up the Corporate Governance Committee on 12 September 2018 for the purpose to enhance and ensure the Company maintains a high standard of the corporate governance. Its terms of reference follow closely the requirements of the CG Code and pursuant to which, the Corporate Governance Committee requires, inter alia, comprising of not less than three members who with majority of them must be NEDs (including INEDs) of the Company. The Corporate Governance Committee currently comprises four members, namely Mr Payson CHA, the Chairman of the Board, Ms Madeline WONG, Mr Henry FAN and Mr TANG Kwai Chang. The Corporate Governance Committee is chaired by Mr Payson CHA.

The principal role and function of the Corporate Governance Committee is to assist the Board and the Chairman in developing, reviewing and monitoring the Company's policies and practices on corporate governance on assurance the compliance with legal and regulatory requirements. The Corporate Governance Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.

During the year, the Corporate Governance Committee has reviewed various Company's key policies and practices on corporate governance, inter alia, the code of conduct applicable to employee and directors, and make recommendations to the Board and the Company on amending and updating (a) the terms of references of several functional committees; and (b) the level of authority of management in a meeting held in March 2019. The records of the meeting held of the Corporate Governance Committee during the year are set out in the below paragraph headed "Attendances of General Meetings, Board and Board Committee Meetings".

### ATTENDANCES OF GENERAL MEETINGS, BOARD AND BOARD COMMITTEE MEETINGS

Directors' attendances in the general meetings and the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee held during the year are set out below:

## 企業管治委員會

於年內，為提升並確保本公司能維持高水平之企業管治，董事會於2018年9月12日設立企業管治委員會。其職權範圍緊隨企管守則之規定。根據企業管治委員會職權範圍之規定，企業管治委員會須由(其中包括)不少於三名成員組成，其中大部份成員必須為本公司非執董(包括獨董)。企業管治委員會現時由四名成員組成，分別為董事會主席查懋聲先生、王查美龍女士、范鴻齡先生及鄧貴彰先生。查懋聲先生為企業管治委員會之主席。

企業管治委員會之主要職務及職能為協助董事會及主席制訂、檢討及監察本公司企業管治政策及常規以確保符合法律及監管規定之要求。企業管治委員會有權按其認為就履行職責所需尋求獨立專業意見，費用由本公司承擔。

於年內，企業管治委員會已於2019年3月舉行之會議上審閱本公司各項主要企業管治政策及常規(其中包括適用於僱員及董事之行為準則)，向董事會及本公司建議修訂及更新(a)若干職能委員會之職權範圍；及(b)管理層之職權範圍。年內所舉行企業管治委員會會議之記錄載於下文「股東大會、董事會及董事會委員會會議之出席率」一段。

### 股東大會、董事會及董事會委員會會議之出席率

於年內所舉行股東大會及董事會、審核委員會、薪酬委員會、提名委員會及企業管治委員會會議之董事出席率載列如下：

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Name of Director	董事姓名	Board meeting	Audit Committee meeting	Remuneration Committee		Nomination Committee meeting	Corporate Governance Committee <sup>^</sup> meeting	AGM held on 22 August 2018 於2018年8月22日 舉行之股東年會
				communications/resolutions	circulated			
Payson CHA <sup>①</sup>	查懋聲 <sup>①</sup>	4/4	-	-	-	1/1	1/1	X
Victor CHA <sup>#</sup>	查懋成 <sup>#</sup>	4/4	-	4/4	-	-	-	✓
Abraham CHUNG	鍾心田	4/4	-	-	-	-	-	✓
TANG Moon Wah	鄧滿華	4/4	-	-	-	-	-	✓
Ronald ARCULLI	夏佳理	4/4	-	-	-	-	-	✓
Johnson CHA	查懋德	4/4	-	-	-	-	-	X
Madeline WONG <sup>+</sup>	王查美龍 <sup>+</sup>	4/4	-	-	-	-	1/1	X
Linus CHEUNG <sup>#</sup>	張永霖 <sup>#</sup>	4/4	4/4	4/4	-	-	-	X
Henry FAN <sup>+</sup>	范鴻齡 <sup>+</sup>	4/4	-	4/4	-	-	1/1	✓
Loretta HO <sup>②</sup>	何柏貞 <sup>②</sup>	4/4	4/4	-	-	1/1	-	X
TANG Kwai Chang <sup>①</sup>	鄧貴彰 <sup>①</sup>	4/4	4/4	-	-	1/1	1/1	✓

### Notes:

- \* members of Audit Committee
- # members of Remuneration Committee
- ② members of Nomination Committee
- + members of Corporate Governance Committee
- ^ Set up on 12 September 2018

### 附註：

- \* 審核委員會成員
- # 薪酬委員會成員
- ② 提名委員會成員
- + 企業管治委員會成員
- ^ 於2018年9月12日設立

Due to other business engagements, Mr Payson CHA, the Chairman of the Board and Chairman of the Nomination Committee of the Company could not attend the AGM of the Company held on 22 August 2018. However, Mr Victor CHA, the Deputy Chairman of the Board and Managing Director of the Company, who is also a member of the Remuneration Committee took the chair of that meeting and Mr TANG Kwai Chang, who is the Chairman of the Audit Committee and a member of the Nomination Committee, Mr Henry FAN, who is a member of the Remuneration Committee and Mr Ronald ARCULLI, a NED, together with all other EDs of the Company and the representative of the Company's Independent Auditor, Deloitte, were present to answer questions from shareholders.

由於需要參與其他業務，董事會主席兼本公司提名委員會主席查懋聲先生未能出席本公司於2018年8月22日舉行之股東年會。然而，本公司董事會副主席兼董事總經理查懋成先生（彼亦為薪酬委員會成員）擔任該大會主席，而審核委員會主席兼提名委員會成員鄧貴彰先生、薪酬委員會成員范鴻齡先生以及非執董夏佳理先生，連同本公司所有其他執董及本公司獨立核數師德勤之代表均已出席該大會，以回應股東之提問。

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge they are responsible for the preparation of accounts for financial year which is required to give a true and fair view of the state of affairs of the Company and the Group, its results and the cash flows for the Group. For preparation of the consolidated financial statements for the year ended 31 March 2019, the Directors selected appropriate accounting policies and applied them consistently, made judgments and estimations that are prudent and reasonable, and prepared accounts on a going concern basis. The statement of the Company's Independent Auditor about their reporting responsibilities on the consolidated financial statements of the Group for the year ended 31 March 2019 is contained in the Independent Auditor's report of 2018/2019 annual report.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has an overall responsibility for evaluating and providing direction to the Company on the nature and extent of the risks that shall be taken in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective systems of risk management and internal controls, which include financial, operational and compliance controls.

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as a reporting mechanism to facilitate the Group to manage its risks across business operations. Key policies and procedures have been developed, implemented and communicated to staff as well as regularly reviewed to ensure there are continued relevant and effective risk management and internal control systems and for continuous improvement which includes (a) setting core values and beliefs which form the basis of the Group's overall risk philosophy and appetite; (b) having an organisational structure in place with defined lines of responsibility and delegation of authority which hold individuals accountable for their risk management and internal control responsibilities and provides necessary information flow for risk analysis and management decision-making on an on-going basis; (c) imposing budgetary and management accounting controls to efficiently allocate resources and providing timely financial and operational performance indicators to manage business activities and risks; (d) ensuring effective financial reporting control to record complete, accurate and timely accounting and management information; and (e) having structural internal audit function to perform independent appraisal of business units and corporate functions on an on-going and cyclical basis.

## 問責及審核

董事了解彼等有責任就財政年度編製真實並忠實地反映本公司及集團事務狀況以及集團業績及現金流量之賬目。於編製截至2019年3月31日止年度之綜合財務報表時，董事已選定合適之會計政策並貫徹應用，作出審慎及合理之判斷和估算，並按持續經營基準編製賬目。本公司之獨立核數師就集團截至2019年3月31日止年度綜合財務報表之申報責任聲明載於2018/2019年報之獨立核數師報告內。

## 風險管理及內部監控

董事會全權負責為達致本公司策略性目標而需面對的風險之性質及範圍進行評估及向本公司提出方向性指示，並確保本公司建立及維持合適有效之風險管理及內部監控系統，包括財務、營運及守章監控。

風險管理及內部監控系統之主要特點是以清晰之治理架構、政策及程序，以及匯報機制，協助集團管理各業務範疇之風險。集團已制訂及落實執行主要政策及程序，並與員工溝通以及定期進行檢討，以確保集團維持洽當及有效的風險管理及內部監控系統並得以持續改善，當中包括(a)制訂構建集團整體風險理念及制約基準之核心價值觀及信念；(b)建立明確界定職責及權限之組織架構，使各人均肩負其對風險管理及內部監控之職責，持續為風險分析及管理層決策提供必要的資訊流通；(c)實施預算及管理會計監控，從而有效地分配資源及提供最新財務及營運表現指標，以便管理業務活動及風險；(d)確保財務匯報監控有效地記錄完整、準確及適時之會計及管理資訊；及(e)備有結構性內部審核職能以持續對業務單位及企業職能部門進行週期性獨立評估。

The Board has delegated to the Audit Committee responsibility for providing oversight in respect of risk management and internal control activities. The Audit Committee discusses the risk management and internal control systems with Management for the year under review to ensure that Management has performed its duty to have an effective risk management and internal control systems. Discussion covers areas, inter alia, the adequacy of resources, staff qualifications and experience, training programs and budget (collectively “Resources”) of the Company’s accounting and financial reporting functions.

To assist the Board and the Audit Committee in overseeing the risk management and internal control systems of the Group, the Internal Audit Department is responsible for performing independent reviews on the adequacy and effectiveness of the Group’s systems of internal controls and risk management and reports audit findings to the Audit Committee and the Board regularly. An Internal Audit Charter, which was adopted in 2008, formulates the processes and procedures of internal audit function for strengthening of the control framework. The Audit Committee also separately consults with the Internal Audit Department in respect of the adequacy of Resources of the Company’s internal audit function.

### RISK MANAGEMENT

The successful management of risks is essential for the long-term growth and sustainability of the Group’s business. To ensure risk management of the Group is integrated into the day-to-day operation of the Group and is continuously carried out at all levels of the Group, the Company has established a risk management framework and governance structure which consists of the Board, the Audit Committee, risk management steering group and business lines to facilitate a systematic approach to the management of risks within the Group.

董事會向審核委員會授權，負責監管有關風險管理及內部監控工作。審核委員會與管理層討論回顧年度之風險管理及內部監控系統，以確保管理層已履行其維持有效風險管理及內部監控系統之職責。討論範疇其中包括本公司會計及財務匯報職能方面的資源、員工資歷及經驗，以及培訓課程及預算(統稱「資源」)是否足夠。

為協助董事會及審核委員會監督集團之風險管理及內部監控系統，內部審核部門負責就集團內部監控及風險管理系統是否充分及有效進行獨立檢討，並向審核委員會及董事會定期匯報審核結果。內部審核憲章於2008年獲採納，以制訂內部審核職能之過程及程序以加強監控框架。審核委員會亦就本公司內部審核職能之資源是否足夠另行向內部審核部門作出諮詢。

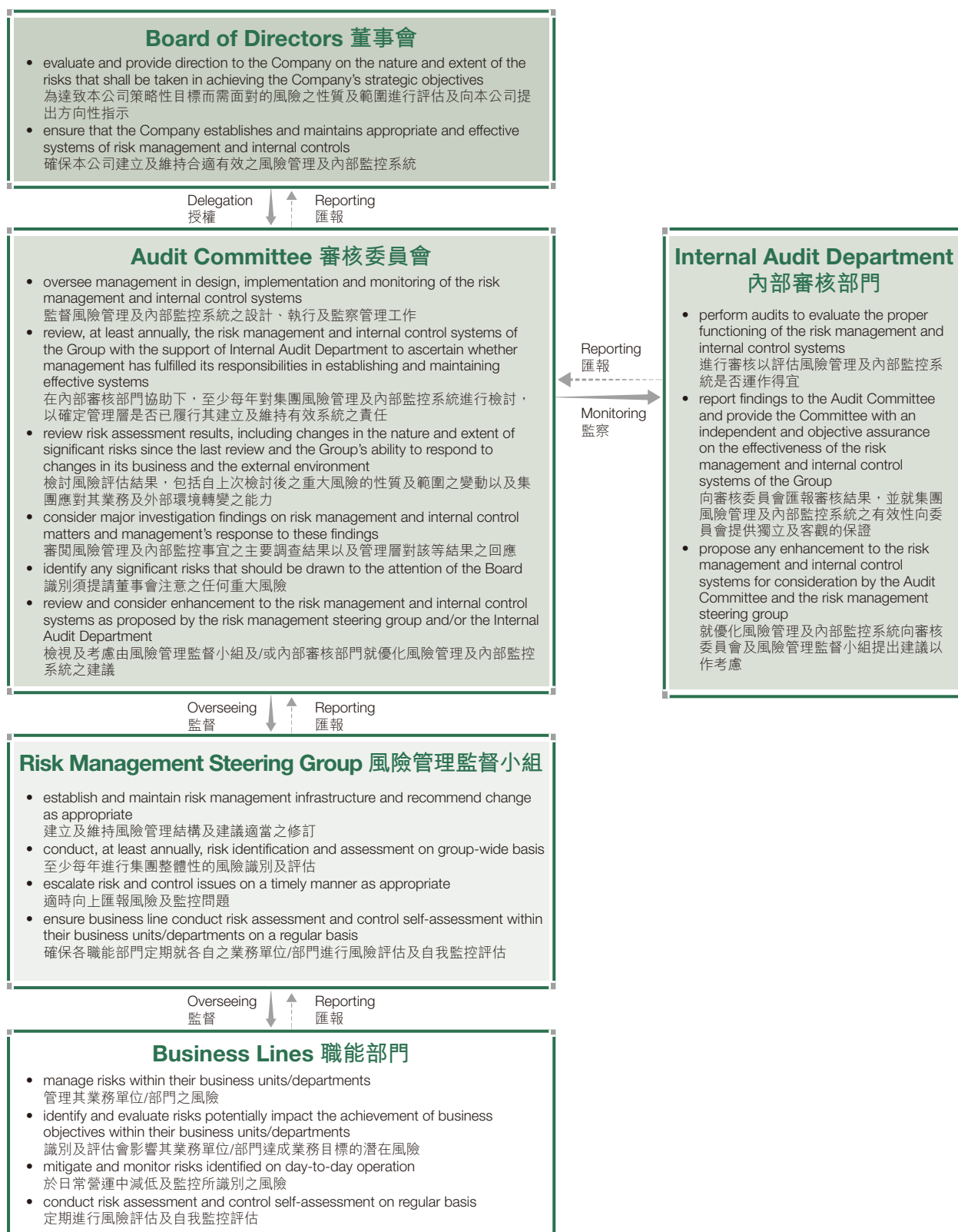
### 風險管理

成功管理風險對集團業務之長遠增長及可持續發展至關重要。為確保集團之風險管理能融入集團日常業務中，並於集團所有層面持續執行，本公司已設立風險管理框架由董事會、審核委員會、風險管理監督小組及企業職能部門組成的管治架構，以協助集團制訂系統性的風險管理。



The following diagram illustrates the Group's risk governance and management framework:

下圖列示集團之風險管治及管理框架：



The Company has also formulated and adopted Risk Management Policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the risk management steering group, which comprises of the heads of all business units and corporate functions, collects and collates risk information from business lines, identifies risks, on a group-wide basis, that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans are established and risk owners are also assigned to closely monitor those risks which are considered to be significant on an on-going basis and implement the mitigation plans. The identified risks which are considered to be significant to the Group, including their changes in nature and extent since the last review, and the relevant mitigation plans for the year under review have been presented and accepted by the Audit Committee and the Board in April and June 2019 respectively.

The Internal Audit Department acts as an independent assessor as another line of defence on risk management system. It conducts independent review and assesses, at least on an annual basis, if all the key risks are properly identified and evaluated under the Risk Management Policy and whether the existing risk controls are operating effectively. A control self-assessment process was also established which requires risk owners to assess, through questionnaire, the adequacy and effectiveness of risk controls over the areas under their responsibilities. The process and its results were reviewed by the Internal Audit Department and form part of the Audit Committee's annual assessment of control effectiveness.

### INTERNAL CONTROLS

In addition to the independent assessment on the risk management system, during the year, the Internal Audit Department also carried out reviews on the (a) operation of HKRI Taikoo Hui; (b) operation of AB Pharma, INC.; (c) operation of The Sukhothai Bangkok; (d) voting mechanism in the AGM; (e) operation of the Group's Information Technology Department; (f) operation of Healthway Philippines, Inc.; and (g) other business units with audit follow-up. With the implementation of follow-up measures after the reviews, the effectiveness in areas with irregularities has gradually improved. Findings on the reviews, control weaknesses, if any, and the relevant recommendations have been presented to and accepted by the Audit Committee and the Board in November 2018 and June 2019.

本公司亦已制訂及採納風險管理政策，提供識別、評估及管理重大風險之方針。由各業務單位及企業職能主管組成之風險管理監督小組至少每年在收集及整理從各識能部門所得之風險資料後，識別對達成集團目標造成不利影響之整體性風險，並根據一套標準準則評估所識別之風險及釐定其優次，從而對重大風險制訂風險緩解計劃及委派監控風險負責人，以持續緊密監察該等風險並執行緩解計劃。就回顧年度所識別被視為對集團而言屬重大之風險(包括自上次檢討後其性質及範圍之變動)及相關緩解計劃已分別於2019年4月及6月向審核委員會及董事會呈報並獲接納。

內部審核部門作為獨立審核員，為風險管理系統之另一道防線。其至少每年進行獨立檢討及評估，以確定所有主要風險是否已根據風險管理政策妥為識別及評估，以及現有風險監控是否有效運作。自我監控評估程序亦已建立，要求監控風險負責人透過問卷形式對其職責範圍內之風險監控是否充足及有效作自我評估。該程序及其結果由內部審核部門檢討，並構成每年審核委員會對評估監控之有效性的一部份。

### 內部監控

除就風險管理系統進行獨立評核外，於年內，內部審核部門亦已就(a)興業太古滙之業務營運；(b) AB Pharma, INC.之業務營運；(c) The Sukhothai Bangkok之業務營運；(d)股東年會之投票機制；(e)集團資訊科技部門之運作；(f) Healthway Philippines, Inc.之業務營運進行評核；及(g)其他業務單位之審核跟進工作進行檢討。隨著檢討後實行跟進措施，不合規之處逐漸改善。檢討結果、監控弱項(如有)及相關建議已於2018年11月及2019年6月向審核委員會及董事會呈報並獲接納。

Apart from the above, during the year, the Audit Committee made a site visit to a joint venture development project in Hong Kong, namely La Cresta and met with the person-in-charge of the project and sales and marketing teams to understand the risks and mitigation arrangements on conducting joint venture development projects. After the site visit, the Audit Committee reviewed the internal risk and control systems in respect of joint venture development projects in Hong Kong and considered that which are generally in place in the area being reviewed.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board, through the works of the Audit Committee, risk management steering group and the Internal Audit Department, has conducted an annual review on the effectiveness of the risk management and internal control systems of the Group for the year ended 31 March 2019 and considers that the Group's risk management and internal control systems for the year were effective and adequate. Management of the Group has also provided confirmation to the Audit Committee and the Board on the effectiveness of such systems for the year under review.

## HANDLING OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the Listing Rules. A Disclosure of Inside Information Policy has established by the Company to set out the procedures on reporting the likely inside information to ensure that potential price sensitive or inside information of the Group can be promptly identified, assessed and escalated for disseminating to the public. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the "Safe Harbours" as provided in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Company will immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements are not false or misleading as to any material fact, or false or misleading through the omission of any material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

除上述所言外，於年內，審核委員會曾到香港合資發展項目-尚珩進行實地考察，並與項目負責人以及銷售及市場推廣團隊會面，以了解進行合資發展項目之風險及緩衝安排。於實地考察後，審核委員會檢討有關香港合資發展項目之內部風險及監控系統，並認為有關系統已普遍於所檢討之範疇內實施。

風險管理及內部監控系統旨在管理而非消除未能達致業務目標之風險，且僅可就避免重大失實陳述或損失提供合理而非絕對之保證。董事會透過審核委員會、風險管理監督小組及內部審核部門之工作，對集團於截至2019年3月31日止年度之風險管理及內部監控系統之成效進行年度檢討，並認為集團本年度之風險管理及內部監控系統屬有效及充足。此外，集團管理層亦已向審核委員會及董事會確認有關系統於回顧年度內之有效性。

## 處理內幕消息

集團一直遵守證券及期貨條例(「證券條例」)及上市規則之規定。本公司已設立內幕消息披露政策，列出匯報可能是內幕消息之程序，以確保集團可即時辨別、評估及向上匯報對股價可能有影響或內幕消息，以便向公眾發放。本公司在合理實際可行之情況下，會儘快向公眾披露內幕消息，除非有關消息屬於證券條例下任何「安全港」之範圍。本公司在向公眾全面披露有關消息前，會確保該消息絕對保密。倘本公司認為不能維持必要之保密程度或可能違反保密措施，本公司會即時向公眾披露消息。本公司致力確保公告中所載之資料就重大事實而言並不屬虛假或具誤導性，或以清晰及持平之方式呈列資料，對正面及負面事實作出相等程度之披露，以確保不會因遺漏重大事實而構成虛假或具誤導性。

### DIVIDEND POLICY

The Company strives to maintain a stable dividend to shareholders and has adopted a dividend policy (the “Policy”). Pursuant to the Policy, the declaration or recommendation of dividends is subject to the sole discretion of the Board. The Board shall consider the following factors before declaring or recommending dividends:

- the Company’s actual and expected financial performance;
- shareholders’ interests;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- any restriction on payment of dividends that may be imposed by the Group’s lenders;
- the Group’s expected working capital requirements and future expansion plan;
- general economic conditions, business cycle of the Group’s motion control business or financial performance and position of the Company;
- taxation considerations;
- statutory and regulatory restrictions; and
- any other factors that the Board deems relevant.

The Board will continually review the Policy and reserve the right in its sole absolute discretion to update, amend and/or modify the Policy at any time, and the Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare dividend at any time or from time to time.

### COMPLIANCE WITH THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORTING GUIDE

The Group has complied with the ESG Reporting Guide of the Stock Exchange and has released its standalone [ESG Report](#) for the year ended 31 March 2019 online at the same time with the publication of 2018/2019 annual report, which captures in detail the Group’s ESG-related initiatives, policies and performance in Hong Kong, mainland China and Thailand throughout the financial year.

### 股息政策

本公司致力維持向股東穩定派息，並已採納股息政策（「該政策」）。根據該政策，宣派股息或建議派息由董事會全權酌情決定。在宣派或建議派息前，董事會將考慮以下因素：

- 本公司之實際及預期財務表現；
- 股東權益；
- 本公司及集團各成員公司之保留盈利及可分派儲備；
- 集團之債務權益比率水平、股本回報率及相關之財務契諾；
- 集團借款人可能就股息派付施加之任何限制；
- 集團之預期營運資金需求及未來擴展計劃；
- 整體經濟狀況、集團可控業務之商業週期或本公司之財務表現及狀況；
- 稅務考慮；
- 法例及監管限制；及
- 任何董事會視作相關之其他因素。

董事會將持續檢討該政策，並保留其絕對酌情權以隨時更新、更改及/或修訂該政策，且該政策將不會就未來之股息對本公司構成任何具法律約束力之承諾及/或構成本公司需於任何時間或不時宣派股息之責任。

### 遵守環境、社會及管治報告指引

集團已遵守聯交所之環境、社會及管治報告指引，並與2018/2019年報同一時間在網上發佈截至2019年3月31日止年度之獨立環境、社會及管治報告，該獨立報告載列集團於整個財政年度在香港、中國內地及泰國實行有關環境、社會及管治之舉措、政策及表現之詳情。



## DIRECTORS' REMUNERATION

Directors' remuneration (save for directors' fees which are subject to shareholders' approval at general meeting) is determined with reference to prevailing market situation, their respective duties and responsibilities and the Group's remuneration policy. Under the terms of reference of the Remuneration Committee, the Remuneration Committee should make recommendation to the Board on the remuneration policy and it has the delegated responsibilities to determine the remuneration of the EDs. The EDs are entitled to salary, contribution to retirement schemes and discretionary bonus which are subject to the ED's and the Company's performance.

In general, the Managing Director, who is a member of the Remuneration Committee, is involved in recommending proposals on the remuneration of other EDs for due consideration and approval by the Remuneration Committee. However, he abstains from voting when his remuneration is considered by the Remuneration Committee. His remuneration is recommended by the Chairman of the Board and reviewed and determined by the Remuneration Committee. No Director will participate in the discussion and review of his/her own remuneration.

The NEDs are entitled to a director's fee for their service which was determined by the Board, pursuant to the authority given by the shareholders at general meeting from time to time, with reference to their duties and responsibilities in the Company and the prevailing market situation. Currently, a sum of HK\$100,000 per annum being the basic fee for acting as a NED, additional fee of HK\$100,000 per annum will be paid to each member, who is NED, of each of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company and additional fee of HK\$150,000 per annum will be paid to each member, who is NED, of Audit Committee. An additional fee of HK\$50,000 will also be paid to each INED having a seat in any independent board committee which is required to be set up from time to time under the Listing Rules.

Remuneration details of the Directors (on individual name basis) for the year ended 31 March 2019 are disclosed in note 12 to the consolidated financial statements on pages 172 to 174 of 2018/2019 annual report.

## AUDITOR'S REMUNERATION

Deloitte is the Independent Auditor of the Company. The remuneration for audit services provided by Deloitte to the Group for the year under review amounted to approximately HK\$9.3 million. In addition to the audit fee, the Company had appointed Deloitte for the interim results review and the other non-audit services including tax compliance and advisory, remuneration of which amounted to approximately HK\$3.4 million for the year under review.

## 董事酬金

董事酬金(須待股東於股東大會上批准之董事袍金除外)乃參考當前市況、彼等各自之職務及職責以及集團之薪酬政策而釐定。根據薪酬委員會之職權範圍，薪酬委員會應就薪酬政策向董事會提出建議，並獲授權負責釐定執董之薪酬待遇。執董有權收取薪酬、退休計劃供款以及按個人與本公司表現而發放之酌情花紅。

一般而言，董事總經理(彼同時為薪酬委員會成員)會就其他執董之薪酬待遇提供建議，以供薪酬委員會作適當考慮及批准。然而，於薪酬委員會考慮其薪酬待遇時，彼則須放棄投票，而彼之酬金由董事會主席建議，並由薪酬委員會審閱及釐定。概無董事可參與討論及審閱其本身之酬金。

非執董就其服務有權收取之董事袍金由董事會根據股東不時於股東大會上授出之授權，並參考彼等於本公司之職務及職責以及現行市況而釐定。現時支付予非執董之基本袍金為每年100,000港元，而非執董作為本公司薪酬委員會、提名委員會及企業管治委員會成員之額外袍金(按每個委員會計)為每年100,000港元，以及非執董作為審核委員會成員之額外袍金為每年150,000港元。此外，支付予各獨董作為根據上市規則不時須成立之任何獨立董事會委員會成員之額外袍金為50,000港元。

截至2019年3月31日止年度之董事酬金詳情(按個人名稱之基準)於2018/2019年報第172頁至第174頁之綜合財務報表附註12內披露。

## 核數師酬金

德勤為本公司之獨立核數師。於回顧年度就德勤提供予集團之審核服務之酬金約為9.3百萬港元。除審核費用外，本公司亦於回顧年度委任德勤審閱中期業績及提供其他非審核服務，包括稅務合規及諮詢服務，其酬金約為3.4百萬港元。

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (including amendments as effected from time to time) as its own code of conduct to regulate securities transactions by Directors (the “Model Code”). All Directors have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code during the year from 1 April 2018 to 31 March 2019 (both days inclusive). The Model Code has been extended to and has become equally applicable to dealings in the securities of the Company by members of senior management and relevant employees.

### COMPANY SECRETARY

The Company Secretary of the Company is an employee of the Company and has day-to-day knowledge of the Company’s affair. During the year ended 31 March 2019, she has taken no less than 15 hours of relevant professional training in accordance with rule 3.29 of the Listing Rules and will continue to comply with such requirement for the year ending 31 March 2020 and report regularly.

### SHAREHOLDERS’ RIGHTS

Pursuant to article 72 of the Articles, extraordinary general meetings shall also be convened by the written requisition of any two shareholders of the Company representing not less than 5% of the issued share capital of the Company at the time of requisition. Shareholders wishing to do so must serve a duly executed written requisition to the Company’s principal place of business in Hong Kong at 23/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the “Principal Place of Business”) specifying the object(s) of the meeting. If the Directors do not within 21 days from the date of deposit of the requisition proceed to duly convene the meeting, such shareholders may convene the general meeting in the same manner, as nearly as possible, as that in which meeting(s) may be convened by the Directors, and all reasonable expenses incurred by those shareholders as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(包括不時生效之修訂)，作為規管董事進行證券交易之操守準則(「標準守則」)。經本公司作出具體查詢後，全體董事已確認，彼等自2018年4月1日至2019年3月31日年度期間(包括首尾兩天)均已遵守標準守則所載之規定標準。標準守則已擴展至同樣適用於高層管理人員及有關僱員所進行之本公司證券交易。

### 公司秘書

本公司之公司秘書為本公司僱員並熟習本公司日常運作。截至2019年3月31日止年度，彼已根據上市規則第3.29條接受不少於15個小時之相關專業培訓，並將於截至2020年3月31日止年度繼續遵守相關規定並定期作出報告。

### 股東權利

根據章程細則第72條，股東特別大會亦可按任何兩名於提出要求時持有本公司已發行股本不少於5%之本公司股東之書面要求而召開。有意要求召開股東特別大會之股東，須把已簽署之書面要求連同召開會議之具體目的送達本公司香港主要營業地點，地址為香港干諾道中168–200號信德中心招商局大廈23樓(「主要營業地點」)。倘董事未能於要求送達日期起計21天內正式召開大會，則該等股東可自行召開股東大會(須盡可能與由董事召開之股東大會形式相同)，而本公司須補償該等股東因此而引致之一切合理費用。

In addition, any shareholder acting on his own or together with other persons whose shareholding interests in the Company in aggregate representing not less than 5% of the issued share capital of the Company (other than the person to be proposed) may nominate a person to stand for election as Director at the general meeting in accordance with article 120 of the Articles. Any shareholder wishing to do so must serve (a) a written notice of intention to propose such person for election as Director; (b) a notice executed by that person of his willingness to be elected; and (c) the information of that person as required to be disclosed under rule 13.51(2) of the Listing Rules to the Principal Place of Business between the period commencing from the date after the dispatch of the notice of the general meeting appointed for such election and ending on (and excluding) the date that is seven days prior to the date of such general meeting. The Company shall issue an announcement and/or a supplementary circular, if applicable, to inform the shareholders the biographical details of the candidate proposed if a valid notice to propose a person to stand for election as Director is received.

## INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company is committed to promoting and maintaining effective communication with the shareholders and other stakeholders. A shareholders communication policy has been adopted by the Board which set out the Company's policy for maintaining an on – going dialogue with shareholders and investment community. The policy is subject to regular review by the Board to ensure its effectiveness. The Company's AGM, for which at least 20 clear business days' prior notice is given, is one of the principal channels of communication with its shareholders. Shareholders have the opportunity to communicate face to face with the Directors if they have any questions on the Company's performance and operations. In addition to the AGM, extensive information on the Company's activities in respect of its financial, business and operations is provided by way of announcements, annual and interim reports and circulars which are sent to shareholders and/or are available on the websites of the Company and the Stock Exchange.

此外，根據章程細則第120條，任何股東如以個人名義或與其他人士共同擁有相當於本公司已發行股本不少於5%者（將獲提名之人士除外），均可提名一名人士於股東大會上膺選董事。任何有意作出提名之股東必須於指定作該選舉之股東大會通告發出翌日起至該股東大會日期前七天（不包括會議當天）止送呈(a)就其提名該人士膺選董事之意向通知書；(b)由該人士簽署表示願意膺選之通知書；及(c)根據上市規則第13.51(2)條規定須予披露有關該人士之資料至主要營業地點。倘收到有關提名人士膺選董事之有效通知書，本公司將刊發公告及/或補充通函（如適用），以知會股東有關參選人之履歷詳情。

## 投資者關係及與股東溝通

本公司致力促進並維持與股東及其他利益相關者之有效溝通。董事會已採納載列本公司有關維持與股東及投資者持續對話之股東通訊政策。董事會定期審閱該政策以確保其有效性。本公司之股東年會（就此須發出至少足20個營業日之事先通知）乃與股東溝通之主要渠道之一，為股東提供機會就彼等對本公司表現及營運之任何疑問，與董事進行面對面溝通。除股東年會外，本公司亦透過向股東寄發及/或在本公司及聯交所網站上刊發公告、年度及中期報告以及通函之方式提供有關本公司財務、業務及營運之詳盡資料。

Shareholders may also send their enquiries and concerns to the Board by addressing them to the Company Secretary of the Company whose contact details are available on the Company's website at [www.hkri.com](http://www.hkri.com). The Company Secretary is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customers complaints, to the relevant executive officers of the Company under the direction of the Chairman of the Board and/or Managing Director of the Company.

### CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association of the Company is available on the websites of the Company and the Stock Exchange. No change was made to the Company's constitutional documents during the year ended 31 March 2019.

股東亦可將其查詢及關注事項寄送予本公司之公司秘書(其聯絡方式可於本公司網站[www.hkri.com](http://www.hkri.com)上查閱),以便送交董事會。公司秘書負責把有關由董事會直接負責事宜之溝通訊息傳遞予董事會,並按本公司董事會主席及/或董事總經理之指示把有關日常業務事宜之溝通訊息,如建議、查詢和客戶投訴等傳達予本公司之相關行政人員。

### 憲章文件

本公司組織章程大綱及組織章程細則已刊載於本公司及聯交所網站。於截至2019年3月31日止年度,本公司之憲章文件並無改動。