

CORPORATE GOVERNANCE REPORT

企業管治報告書

Corporate Governance Practices

The board of directors of the Company (the “Board”) has adopted a Code of Corporate Governance Practices (the “CGP Code”), which is based on the Corporate Governance Code set out in Appendix 14 (the “HKEX Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The CGP Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEX Code. Continuous efforts are made to review and enhance the Group’s risk management and internal controls and procedures in light of changes in regulations and developments in best practices.

The Board is pleased to report compliance with the HKEX Code for the year ended 30 June 2021, except where otherwise stated.

Every director is subject to retirement by rotation at least once every three years pursuant to the Articles of Association of the Company and the CGP Code.

Despite non-executive directors were not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meetings of the Company, as stipulated by the HKEX Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEX Code.

Directors’ Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct governing directors’ securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

企業管治常規

本公司之董事會(「董事會」)已採納一套以香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14(「港交所守則」)之原則為本之企業管治常規守則(「企業管治守則」)。企業管治守則將不時檢討及作適當的更新以與經修改後的港交所守則保持一致。為配合有關規則之改變及最佳常規之發展，本集團不斷致力檢討及優化本集團的內部監控與程序。

董事會欣然報告截至二零二一年六月三十日止年度一直遵守港交所守則，除非另有陳述。

根據本公司組織章程細則及企業管治守則之規定，各董事須至少每三年輪值告退一次。

儘管非執行董事並無特定任期，根據港交所守則之規定，彼等須於本公司股東週年常會上輪值告退及膺選連任。因此，本公司認為該等條文足以符合港交所守則有關條文之宗旨。

董事之證券交易

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易之操守守則。

經本公司作出具體查詢，本公司所有董事確認，彼等於本年度內一直遵守標準守則規定之標準。

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Board of Directors

Composition of the Board

The directors of the Company during the year and up to the date hereof are set out in the Directors' Report on page 106.

Board Meetings, General Meeting and Attendance

During the year, four board meetings and one general meeting were held. Details of individual attendance of directors at the board meetings and general meeting during the year are set out in the table below:

董事會

董事會組成

於本年度內及直到本報告書日期，本公司之董事會成員已載於第106頁董事會報告書內。

董事會會議、股東大會及出席率

於本年度內，共舉行四次董事會會議及一次股東大會。個別董事於本年度內出席董事會會議及股東大會之詳情載於下表：

Name of Director	董事姓名	Board Meeting	General Meeting
		Number of Attendance/ Number of Meeting Held 董事會會議 出席次數／ 舉行會議次數	Number of Attendance/ Number of Meeting Held 股東大會 出席次數／ 舉行會議次數
Chairman:	主席：		
Mr. KWEK Leng Hai	郭令海先生	4/4	1/1
Group Managing Director:	集團董事總經理：		
Mr. WONG Cho Fai	黃祖暉先生	4/4	1/1
Non-Executive Directors:	非執行董事：		
Mr. CHEW Seong Aun <i>(Note 1)</i>	周祥安先生 <i>(附註1)</i>	2/2	0/0
Dr. WHANG Sun Tze	黃上哲博士	4/4	1/1
Mr. TAN Lim Heng <i>(Note 2)</i>	陳林興先生 <i>(附註2)</i>	2/2	1/1
Mr. TANG Hong Cheong <i>(Note 3)</i>	鄧漢昌先生 <i>(附註3)</i>	2/2	1/1
Independent Non-Executive Directors:	獨立非執行董事：		
Mr. LO Kai Yiu, Anthony	羅啟耀先生	4/4	1/1
Mr. HUANG Lester Garson	黃嘉純先生	4/4	1/1
Ms. HO Yuk Wai, Joan	何玉慧女士	4/4	1/1

CORPORATE GOVERNANCE REPORT

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Board of Directors (continued)

Board Meetings, General Meeting and Attendance (continued)

Notes:

1. Mr. CHEW Seong Aun ("Mr. Chew") was appointed as a Non-executive Director with effect from 1 January 2021. Two board meetings were held during the period from 1 January 2021 (date of appointment of Mr. Chew) to 30 June 2021.
2. Mr. TAN Lim Heng ("Mr. Tan") retired as a Non-executive Director after the conclusion of the annual general meeting held on 11 November 2020 ("2020 AGM"). Two board meetings and one general meeting were held during the period from 1 July 2020 up to the conclusion of the 2020 AGM (date of retirement of Mr. Tan).
3. Mr. TANG Hong Cheong ("Mr. Tang") retired as a Non-executive Director with effect from 1 January 2021. Two board meetings and one general meeting were held during the period from 1 July 2020 up to 1 January 2021 (date of retirement of Mr. Tang).

Operations of the Board

The Board determines the corporate mission and broad strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives. Decisions involving financial statements, dividend policy, material contracts and major investments and divestments are reviewed and subject to approval by the Board. Other main roles of the Board are to review the Company's policies and practices on corporate governance and to ensure that adequate risk management and internal control systems and management information systems are in place, including being in compliance with every aspect of the provisions of applicable laws, regulations, rules, directives and guidelines to create value for its shareholders and to ensure that the Company has adequate management to achieve the Company's strategic objectives.

The Board has delegated the day-to-day management and operation of the Group's businesses to management of the Company and its subsidiaries.

Where appropriate, decisions are also taken by way of circulated resolutions.

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as management proposals which require the approval of the Board.

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

董事會 (續)

董事會會議、股東大會及出席率 (續)

附註：

1. 周祥安先生 (「周先生」) 於二零二一年一月一日獲委任為非執行董事。由二零二一年一月一日 (即周先生獲委任之日期) 至二零二一年六月三十日共舉行兩次董事會會議。
2. 陳林興先生 (「陳先生」) 於二零二零年十一月十一日舉行的二零二零年股東週年常會 (「二零二零年股東週年常會」) 結束後退任非執行董事。由二零二零年七月一日至二零二零年股東週年常會結束日 (即陳先生退任之日期) 共舉行兩次董事會會議和一次股東大會。
3. 鄧漢昌先生 (「鄧先生」) 於二零二一年一月一日退任非執行董事。由二零二零年七月一日至二零二一年一月一日 (即鄧先生退任之日期) 共舉行兩次董事會會議和一次股東大會。

董事會之運作

董事會制定公司使命及整體策略，監察和監控營運及財務表現以及訂立適當之政策管理風險，以達成集團之策略目標。有關財務報表，股息政策，重要合同及重大投資及撤資之決定，均由董事會審閱及審批。董事會其他主要角色包括審閱本公司有關企業管治之政策及守則，以及確保備有合乎需要之風險管理及內部監控系統及管理資訊系統，其中包括遵守適用之法例、條例、規則、指令及指引之每項條文，以為股東創造財富及確保本公司有足夠管理人員達成本公司之策略目標。

董事會已授權本公司及其附屬公司之管理層負責本集團業務之日常管理及營運。

於適當時，董事會亦會以傳閱決議案之方式作決定。

於董事會會議召開前，董事會文件會適時傳閱，其中包括，財務及公司資料、重要營運及公司事宜、本集團業務表現及須獲董事會批准之管理層建議。

所有董事均可獲得公司秘書及內部核數師之意見及服務，以及在合理要求下，可於適當情況下尋求獨立專業意見，費用 (如有) 概由本公司負責。

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Board of Directors (continued)

Independence of the Independent Non-Executive Directors

The Company received confirmation of independence from each of the independent non-executive directors (“INEDs”) for the year pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company considers that the INEDs continue to be independent.

Relationship among the Members of the Board

The family relationships among the members of the Board are disclosed under “Board of Directors and Senior Management” on pages 81 to 85 of this annual report.

Directors’ Continuous Training and Development Programme

Pursuant to the HKEX Code which took effect on 1 April 2012, 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.

The Company has put in place a training and development programme for directors which includes (i) induction/familiarisation programme for newly appointed directors; and (ii) on-going training and professional development programme for directors.

During the year ended 30 June 2021, all directors of the Company namely, Messrs. KWEK Leng Hai, WONG Cho Fai, CHEW Seong Aun (appointed on 1 January 2021), WHANG Sun Tze, LO Kai Yiu, Anthony, HUANG Lester Garson, Ms. HO Yuk Wai, Joan, Messrs. TAN Lim Heng (retired on 11 November 2020) and TANG Hong Cheong (retired on 1 January 2021) received regular briefings and updates on the Group’s business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations, environmental, social and governance matters applicable to the Group were provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training record pursuant to the CGP Code.

董事會 (續)

獨立非執行董事之獨立性

於本年度內，本公司接獲各獨立非執行董事（「獨立非執行董事」）根據上市規則第3.13條發出之獨立性確認書。直至及截至本報告書日期，本公司認同獨立非執行董事之獨立性。

董事會成員間的關係

董事會成員間之親屬關係已載於本年報第81頁至第85頁「董事會及高層管理人員」內。

董事持續培訓及發展課程

根據二零一二年四月一日生效之港交所守則，全體董事須參與持續專業發展，以發展及更新其知識及技能。此舉可確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

本公司已為董事提供培訓及發展課程，包括(i)為新委任之董事提供就職／熟悉課程；及(ii)為董事提供持續培訓及專業發展課程。

截至二零二一年六月三十日止年度內本公司全體董事（即郭令海先生、黃祖暉先生、周祥安先生（於二零二一年一月一日獲委任）、黃上哲博士、羅啟耀先生、黃嘉純先生、何玉慧女士及陳林興先生（於二零二零年十一月十一日退任）和鄧漢昌先生（於二零二一年一月一日退任））已接獲有關本集團業務、營運、風險管理及企業管治事宜之定期簡報及更新。董事亦獲提供適用於本集團之重要法律法規、環境、社會及管治之有關新修訂或變更資料。彼等亦出席有關最新監管議題的課程及研討會。根據企業管治守則，所有董事須向本公司提供彼等各自之培訓記錄。

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Chairman and Group Managing Director

The roles of Chairman and Group Managing Director (“GMD”) are segregated and are not held by the same person. Currently Mr. KWEK Leng Hai is the Chairman and Mr. WONG Cho Fai is the GMD of the Company.

The Chairman leads the Board and ensures its smooth and effective functioning. The GMD is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

Non-Executive Directors

The non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting pursuant to the articles of association of the Company and the CGP Code.

Board Committees

During the year, three board committees, namely, the Board Remuneration Committee, the Board Audit and Risk Management Committee and the Board Nomination Committee were in place for overseeing particular aspects of the Company’s affairs pursuant to the Listing Rules and the CGP Code.

The three board committees of the Company are established with defined written terms of reference, approved by the Board, which set out the Committees’ major duties. The terms of reference now being posted on the websites of the Stock Exchange and the Company, are available to shareholders.

The majority of the members of each board committee are INEDs. The list of the chairman and members of each board committee is set out in the following board committee section.

The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

主席及集團董事總經理

主席及集團董事總經理(「集團董事總經理」)之角色獨立分開，並由不同人士擔任。本公司現時之主席為郭令海先生，集團董事總經理為黃祖暉先生。

主席領導董事會並確保其順利和有效地運作。集團董事總經理則負責本集團的願景和策略方向、執行政策及董事會的決定、提出經營建議及企業策略從而創造競爭優勢並提高股東的財富，定立營運公司的基準與目標，監察日常的運作及遵從法規及緊貼業務發展。

非執行董事

非執行董事並無特定任期。然而，根據本公司組織章程細則及企業管治守則，彼等須於股東週年常會上輪值告退及膺選連任。

董事委員會

於本年度內，三個董事委員會，即董事會薪酬委員會、董事會審核及風險管理委員會及董事會提名委員會，均已根據上市規則及企業管治守則監察本公司之特定事宜。

本公司所成立之三個董事委員會均設有董事會批准之特定書面職權範圍，當中載有委員會之主要職責。職權範圍現時於港交所及本公司網站登載，以供股東查閱。

各董事委員會之大部分成員均為獨立非執行董事，而主席及成員名單於下文董事委員會一節內載列。

董事委員會獲提供充足資源，以履行彼等之職責，並在有合理要求時，能夠於適當情況下尋求獨立專業意見，有關費用概由本公司負責。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees (continued)

Board Remuneration Committee ("BRC")

The Company established the BRC on 1 July 2005 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties.

The principal role and functions of the BRC are to make recommendations to the Board on its policy and structure for the remuneration of directors and senior management, as well as to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, which may include any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC are accessible on the Company's website and HKEX's website.

The BRC has adopted the approach under code provision B.1.2(c)(i) of the HKEX Code to determine, with delegated responsibility and authorisation by the Board, the remuneration packages of individual executive directors and senior management.

During the year, the BRC comprised Messrs. HUANG Lester Garson (Chairman of the BRC), KWEK Leng Hai and LO Kai Yiu, Anthony. Mr. HUANG Lester Garson and Mr. LO Kai Yiu, Anthony are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

During the year, two BRC meetings were held. The individual attendance of each member are as follows:

董事委員會 (續)

董事會薪酬委員會 (「薪酬委員會」)

本公司於二零零五年七月一日成立薪酬委員會，並設有符合港交所規定之具體書面職權範圍，當中訂明其權力及職責。

薪酬委員會之主要角色及職能是就有關各董事及高層管理人員之薪酬政策及架構向董事會作出建議，以及釐定全體執行董事及高層管理人員之具體酬金待遇，包括實物利益、退休金權利及賠償金額(設有喪失或終止職務或委任之賠償)。薪酬委員會職權範圍之詳情於本公司網站及港交所網站可供查閱。

薪酬委員會已獲董事會授予職責及權力，採納港交所守則第B.1.2(c)(i)條守則條文訂明之方法，以釐定個別執行董事及高層管理人員之薪酬待遇。

於本年度內，薪酬委員會由黃嘉純先生(薪酬委員會主席)、郭令海先生及羅啟耀先生組成。黃嘉純先生及羅啟耀先生均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

於本年度內，共舉行兩次薪酬委員會會議。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. HUANG Lester Garson (Chairman)	黃嘉純先生(主席)	2/2
Mr. KWEK Leng Hai	郭令海先生	2/2
Mr. LO Kai Yiu, Anthony	羅啟耀先生	2/2

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Board Committees *(continued)*

Board Remuneration Committee ("BRC") *(continued)*

Work done for the financial year 2020/2021

- reviewed and recommended directors' fees for non-executive directors for the financial year 2019/2020;
- reviewed and approved the discretionary bonuses for executive director and senior management for the financial year 2019/2020;
- reviewed the remuneration packages of executive director and senior management;
- reviewed the terms of reference of the BRC and remuneration policy for directors and senior management; and
- deliberated the statement relating to the BRC for inclusion in the Corporate Governance Report.

Level and Make-up of Remuneration

The Group's remuneration scheme for executive director and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meeting.

Details of the remuneration of the directors for the year ended 30 June 2021 are provided in note 9 to the Financial Statements in this annual report.

董事委員會 *(續)*

董事會薪酬委員會("薪酬委員會") *(續)*

於2020/2021年度完成之工作

- 就二零一九／二零二零年度之非執行董事之袍金向董事會作出建議及檢討；
- 檢討及批准截至二零一九／二零二零年度之執行董事及高層管理人員之花紅；
- 檢討執行董事及高層管理人員之酬金待遇；
- 檢討薪酬委員會之職權範圍以及董事和高層管理人員之薪酬政策；及
- 批准於企業管治報告中有關薪酬委員會的陳述。

薪酬水平及釐定

本集團對執行董事及高層管理人員之薪酬計劃按表現、服務年資、經驗及職權範圍釐定，並根據本集團人力資源手冊內之條文，並不時按照市場／行業慣例，作出檢討。

非執行董事之薪酬水平反映其責任水平。

董事(包括非執行董事)之袍金由董事會建議及認可，以供股東於本公司股東週年常會上批准。

就截至二零二一年六月三十日止年度之董事酬金詳情載於本年報之財務報表附註9。

CORPORATE GOVERNANCE REPORT

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Board Committees (continued)

Board Nomination Committee ("BNC")

The Company established the BNC on 1 April 2012 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The principal role of the BNC is to make recommendations to the Board on the structure, size and composition of the Board, to review the independence of INEDs, the suitability of directors who will stand for re-election and directors' continuous training and development programme, to formulate, review and implement a policy for the nomination of directors (including nomination procedures) and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC is accessible on the Company's website and HKEX's website.

The BNC comprised Messrs. KWEK Leng Hai (Chairman of the BNC), LO Kai Yiu, Anthony, and Ms. HO Yuk Wai, Joan. Mr. LO Kai Yiu, Anthony and Ms. HO Yuk Wai, Joan are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

During the year, one BNC meeting was held. The individual attendance of each member is as follows:

董事委員會 (續)

董事會提名委員會 (「提名委員會」)

本公司於二零一二年四月一日設立提名委員會。提名委員會設有符合港交所規定之具體書面職權範圍，當中訂明其權力及職責。

提名委員會的主要職能是就對董事會之架構、規模及組成向董事會作出建議，以及審閱獨立非執行董事之獨立性、董事是否合適獲提名重選及董事之持續培訓及發展項目、制定、檢討及實施有關董事提名政策(包括提名程序)，以及制定有關董事會多元化之政策，監督該政策之實施及檢討該政策(如適用)。提名委員會職權範圍之詳情於本公司及港交所網站可供查閱。

提名委員會由郭令海先生(提名委員會主席)、羅啟耀先生及何玉慧女士組成。羅啟耀先生及何玉慧女士均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

於本年度內，共舉行一次提名委員會會議。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數／ 舉行會議次數
Mr. KWEK Leng Hai (Chairman)	郭令海先生(主席)	1/1
Mr. LO Kai Yiu, Anthony	羅啟耀先生	1/1
Ms. HO Yuk Wai, Joan	何玉慧女士	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Nomination Committee ("BNC") *(continued)*

Work done during the year

- reviewed the suitability of a candidate to be appointed as a non-executive director of the Company pursuant to the process and criteria as set out in the nomination policy (the "Nomination Policy");
- reviewed the structure, size, composition and diversity and gender of the Board (including the mix of skills, knowledge, experience, competences of directors, and the balance between executive directors, non-executive directors and independent non-executive directors) annually and for proposed changes of board composition;
- reviewed and assessed the independence of independent non-executive directors of the Company;
- reviewed the profile of and participation in the Company's affairs of the directors who stood for re-election at annual general meeting;
- reviewed the continuous training and development programmes undertaken by directors to ensure that an appropriate program is in place;
- reviewed the Board Diversity Policy, the terms of reference of the BNC and reviewed and updated the Nomination Policy; and
- deliberated the statement relating to BNC for inclusion in the Corporate Governance Report.

董事委員會 *(續)*

董事會提名委員會(「提名委員會」) *(續)*

於本年度完成之工作

- 根據提名政策(「提名政策」)所設定之程序和標準，檢討對委任一名候選人為本公司非執行董事之合適性；
- 就董事會之架構、規模、組成及多元化及性別(包括董事不同之技能、知識、經驗、能力以及執行董事、非執行董事及獨立非執行董事之平衡)作出年度檢討及就董事會之組成提出變更的提議；
- 審閱及評核本公司獨立非執行董事之獨立性；
- 審閱於股東週年常會上參與重選之董事之履歷及對本公司事務的參與程度；
- 檢討董事負責之持續培訓及發展項目，並確認已具備適合之項目；
- 檢討本公司之董事會多元化政策、提名委員會之職權範圍及檢討及更新提名政策；及
- 批准於企業管治報告中有關提名委員會的陳述。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees (continued)

Board Nomination Committee ("BNC") (continued)

Board Diversity Policy

The Board has adopted the Board Diversity Policy pursuant to which the Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company maintains that selection of candidates for Board appointments 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 service and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

During the year, the assessment and selection of candidates for appointment as a non-executive director was made pursuant to the objectives of the Board Diversity Policy. While conscious efforts are being taken to achieve board diversity, the new appointment is ultimately made on a merit basis taking into account available and suitable candidates. With a view to achieving a sustainable and balanced development, the BNC has also reviewed the structure, size, composition and diversity of the Board to ensure that its composition complies with the Listing Rules and reflects an appropriate mix of education disciplines, professional experiences and skill set.

The BNC reviews annually the Board Diversity Policy to ensure its effectiveness and application.

Nomination Policy

The Company has adopted the Nomination Policy which serves as a guiding mechanism and framework for the BNC on the process for new appointments and re-appointments of directors, Group Managing Director and board committee members and their annual assessment.

The BNC reviews annually the Nomination Policy to ensure its effectiveness and application and will update, amend and modify as appropriate to ensure it continues to be relevant to needs of the Company and is consistent with regulatory and corporate governance requirements.

The Nomination Policy is accessible on the Company's website.

董事委員會(續)

董事會提名委員會(「提名委員會」)(續)

董事會多元化政策

董事會已採納董事會多元化政策，據此本公司認同及接納董事會多元化在提升其表現質素方面的裨益。本公司於選擇董事會候選人時將考慮一系列多元化範疇，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、知識及年資，而最終決定將基於該候選人將為董事會帶來之功績及貢獻。

於本年度內，本公司根據董事會多元化政策的目標就委任非執行董事候選人作出評估及挑選。本公司致力達致董事會多元化，而新委任的決定最終取決於合適候選人的賢能才幹。為達致一個可持續和平衡的發展為目標，提名委員會亦對董事會的架構、規模、組成及多元化作出檢討，以確保其組成符合上市規則並反映一個合適而包含不同學術科目、專業經驗和技能的組合。

提名委員會每年檢討董事會多元化政策以確保其有效性及得以實施。

提名政策

本公司已採納提名政策，其為提名委員會定下指導機制及框架，以處理新委任及重新委任董事、集團董事總經理及董事委員會成員及其年度評估事宜。

提名委員會每年檢討提名政策以確保其有效性及得以實施，並將進行適當更新、修訂及修改，以確保其繼續切合本公司需要並符合監管及企業管治規定。

提名政策可於本公司網站查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees (continued)

Board Audit and Risk Management Committee ("BARMC")

The Company established the Board Audit Committee on 29 December 1998 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties. On 17 February 2016, the Board has resolved to rename the Committee as Board Audit and Risk Management Committee ("BARMC").

The BARMC oversees the financial reporting process, assesses the adequacy and effectiveness of the Company's system of risk management and internal control, oversees the Company's environmental, social and governance ("ESG") matters including, among others, monitoring the ESG reporting progress and reviewing the ESG report as well as the ESG-related risks and issues. The BARMC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of risk management and internal control. It also reviews directors' interests in contracts and connected transactions. The BARMC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BARMC are accessible on the Company's website.

During the year, the BARMC comprised Messrs. LO Kai Yiu, Anthony (Chairman of the BARMC), HUANG Lester Garson and Ms. HO Yuk Wai, Joan. Mr. LO Kai Yiu, Anthony, Mr. HUANG Lester Garson and Ms. HO Yuk Wai, Joan are INEDs of the Company.

During the year, five BARMC meetings were held. The individual attendance of each member are as follows:

董事委員會(續)

董事會審核及風險管理委員會(「審核及風險管理委員會」)

本公司於一九九八年十二月二十九日設立董事會審核委員會，並設有符合港交所規定之具體書面職權範圍，當中訂明其權力及職責。於二零一六年二月十七日，董事會決議把委員會之名稱重新命名為董事會審核及風險管理委員會(「審核及風險管理委員會」)。

審核及風險管理委員會監察財務報告程序以及評估本公司風險管理及內部監控系統是否合乎需要及有效，監察本公司之環境、社會及管治(「環境、社會及管治」)事宜，其中包括監督環境、社會及管治之匯報進度、審閱環境、社會及管治報告書以及環境、社會及管治之相關風險和事宜。審核及風險管理委員會會見本公司之外聘核數師及內部核數師，以審閱彼等之審核方案、內部審核項目、彼等審核之結果以及彼等對風險管理及內部監控系統之評價。審核及風險管理委員會亦審閱董事於合同及關連交易之利益關係。審核及風險管理委員會審閱本集團及本公司之財務報表以及相關之核數師報告書，並向董事會提交意見。審核及風險管理委員會職權範圍之詳情於本公司網站可供查閱。

於本年度內，審核及風險管理委員會由羅啟耀先生(審核及風險管理委員會主席)、黃嘉純先生及何玉慧女士組成。羅啟耀先生、黃嘉純先生及何玉慧女士均為本公司獨立非執行董事。

於本年度內，共舉行五次審核及風險管理委員會會議。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. LO Kai Yiu, Anthony (Chairman)	羅啟耀先生(主席)	5/5
Mr. HUANG Lester Garson	黃嘉純先生	5/5
Ms. HO Yuk Wai, Joan	何玉慧女士	5/5

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees (continued)

Board Audit and Risk Management Committee ("BARMC") (continued)

The following is a summary of the work performed by the BARMC during the year:

- reviewed the nature and scope of external audit, the independence of external auditor and effectiveness of the audit process and approved the external audit fee and the engagement terms;
- reviewed the interim financial report, the interim results announcement, the annual accounts and the final results announcement;
- reviewed the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control, as well as management's response thereto;
- reviewed and discussed with the management the effectiveness of the risk management and internal control system, including the adequacy of resources, staff qualifications, experience and training programmes;
- reviewed the Group's accounting policies and practices;
- reviewed and approved the annual internal audit plan;
- reviewed major findings of internal audit assignments and the progress of implementation of remedial measures on control issues identified;
- reviewed the effectiveness of the processes for financial reporting and Listing Rule compliance of the Company;
- monitored the ESG reporting progress and reviewed the ESG report of the Company as well as the ESG related risks and issues;
- reviewed connected transactions entered into by the Group or subsisting during the year;
- reviewed the terms of reference of the BARMC; and
- deliberated the statement relating to the BARMC for inclusion in the Corporate Governance Report.

董事委員會 (續)

董事會審核及風險管理委員會 (「審核及風險管理委員會」) (續)

下列為審核及風險管理委員會於本年度之工作摘要：

- 審閱外聘核數之性質及範圍、外聘核數師之獨立性、審核過程之有效性以及批准外聘審核費用及協議書條款；
- 審閱中期財務報告、中期業績公佈、年度賬目及全年業績公佈；
- 審閱外聘核數師之管理信函，由核數師提出任何有關會計記錄、財務帳目或系統管理的重要提問，以及管理層對以上的回應；
- 檢討及與管理層討論風險管理及內部監控系統之有效性，包括資源、員工資歷、經驗及培訓課程是否充足；
- 檢討本集團會計政策及守則；
- 檢討及批准年度內部審核計劃；
- 審理內部審核之主要發現及推行有關已識別監控事故之補救措施之進度；
- 檢討本公司財務報告及遵守上市規則流程之有效性；
- 監督本公司之環境、社會及管治之匯報進度、審閱本公司之環境、社會及管治報告書以及環境、社會及管治相關風險和事宜；
- 審閱於本年度由本集團訂立或仍存續之關連交易；
- 檢討審核及風險管理委員會之職權範圍；及
- 批准於企業管治報告中有關審核及風險管理委員會的陳述。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Directors' Responsibilities for Preparing the Financial Statements

The directors of the Company have acknowledged their responsibility for preparing the financial statements for the year. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 121 to 127 of this annual report.

Auditors' Remuneration

Auditors' remuneration for the year is set out in note 7 to the financial statements on page 172.

Risk Management and Internal Control

The risk management and internal control system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. It provides reasonable, but not absolute, assurance against material misstatement or loss and manages rather than eliminates risks associated with its business activities.

The Board, recognising its responsibilities in ensuring sound risk management and internal controls, has developed a set of Enterprise Risk Management framework ("ERM framework") for the Group and set forth in its policy and procedures to assist in:

- identifying the enterprise risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures for managing these risks; and
- monitoring and reviewing the effectiveness and adequacy of such measures.

董事有關編製財務報表之責任

本公司董事均已承認彼等對編製本年度財務報表之責任。目前概無涉及可對本公司持續經營能力構成重大疑慮之事件或情況之重大不明朗因素。

本公司外聘核數師就其對財務報表申報責任發出之聲明載於本年報第121頁至第127頁之獨立核數師報告書內。

核數師酬金

本年度之核數師酬金已載於本年報第172頁之附註7內。

風險管理及內部監控

風險管理及內部監控系統旨在提升營運之成效及效率、保護資產以免在未經授權下被挪用及處理、確保有保存恰當之會計記錄以及財務報表之真實性及公平性，並確保遵守相關法規及條例。內部監控可作為不會出現重大錯誤陳述或損失的合理(而非絕對)保證，亦可管理(而非消除)與其商業活動有關之風險。

董事會確認其有責任確保穩健妥善的風險管理及內部監控，並已建立一套企業風險管理架構(「企業風險管理架構」)並闡述於本集團的政策及程序以協助本集團：

- 找出本集團在營運環境內之重大風險，同時評估該等風險之影響；
- 制定管理該等風險所需的措施；及
- 監察並檢討該等措施是否有效及合乎需要。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Risk Management and Internal Control *(continued)*

The ERM framework consists of interactive processes for each of our business units to constantly identify and access risks in terms of their potential impact and probability of occurrence, as well as to establish and implement relevant procedures and internal controls for risk mitigation, ongoing monitoring and periodic reporting by management to ensure that residual risks after taking into account risk mitigating measures fall within the risk appetite and tolerance set by the Board.

The Board has entrusted the BARMC with the responsibility to oversee the implementation of the ERM framework of the Group. In discharging this responsibility, the BARMC, assisted by the Group Internal Audit Department ("GIAD"):

- ensures that new and emerging enterprise risks are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks;
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems; and
- ensures the Group's risk register is up-to-date and risk profile reports are furnished by management to the BARMC review.

These on-going processes have been in place, and reviewed periodically by the BARMC to ensure their effectiveness, supplemented by the other reports from GIAD on the Group's internal control and risk management findings.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

風險管理及內部監控(續)

企業風險管理架構是我們每個業務分部，就風險之潛在影響及發生概率而言，去持續辨認及評估，以及至風險緩解的制定、實行相關程序和內部監控之間的互動過程，管理人員持續監察及定期報告，以確保執行風險緩解措施後，所剩餘的風險已被考慮及被董事會所釐定的可承受力範圍之內。

董事會已將監察本集團企業風險管理架構之責任委託予審核及風險管理委員會。於履行有關責任時，審核及風險管理委員會在本集團內部審核部門(「內審部」)協助下：

- 確保管理層可立即得知與本集團有關之新企業風險；
- 評估為管理有關風險而制訂之行動計劃及監控制度是否合乎需要；
- 監察行動計劃之執行及監控制度之成效及是否合乎需要；及
- 確保本集團之風險管轄表是最新及由管理人員提交的風險概況報告已由審核及風險管理委員會檢閱。

此等持續程序已設立，並由審核及風險管理委員會定期檢討，以確保其有效性，並輔以由內審部提供其他的內部監控報告及風險管理調查結果。

風險管理架構內之監控措施旨在管理(而非期望消除)無法達到業務目標之所有風險。此等監控措施可作為管理及財務資料不會出現重大失實聲明或不會出現財務損失及欺詐的合理(而非絕對)保證。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Risk Management and Internal Control *(continued)*

The Board, through the BARMC, has conducted an annual review on the Group's risk management and internal control system and considers that it is adequate and effective covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. The Board is satisfied that the Group has fully complied with the provisions on risk management and internal controls as set out in the CGP Code.

Handling and Dissemination of Inside Information

The Company has established and implemented relevant procedures and internal controls for the handling and dissemination of inside information, including restricting employee access to inside information on a need-to-know basis and ensuring that those who need to know understand the obligation of keeping the information confidential. All inside information is disclosed to the public pursuant to the requirements under the Securities and Futures Ordinance and the Listing Rules and kept strictly confidential before disclosure.

Shareholders' Rights

The Company has only one class of shares, all shares have the same voting rights and are entitled to the dividends declared.

(a) Rights and procedures for shareholders to convene extraordinary general meetings ("EGM")

Subject to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Directors shall on the requisition of shareholders of the Company (the "Shareholder(s)") representing at least 5% of the total voting rights of all the shareholder(s) having a right to vote at general meetings of the Company, forthwith proceed duly to convene an EGM of the Company.

The requests must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is/are intended to be moved at the meeting. The request must be signed by the requisitionists and deposited at the registered office of the Company for the attention of the Company Secretary in hard copy form.

風險管理及內部監控(續)

董事會已透過審核及風險管理委員會，就本集團之風險管理及內部監控制度進行年度檢討，並認為是足夠及有效覆蓋所有重要的監控，包括財務、營運及規管控制，以確保員工資歷和經驗、培訓計劃及本集團之財務預算、內部審核及財務匯報職能方面資源充足。董事會信納本集團已全面遵守企業管治守則所載之風險管理及內部監控條文。

處理及發放內幕消息

本公司制定及實施處理及發放內幕消息之相關程序及內部監控，包括限制員工按須知基準查閱內幕消息，確保須知消息之人員了解確保消息機密之義務。所有內幕信息均按照證券及期貨條例及上市規則項下要求向公眾披露，並於披露前嚴格保密。

股東權利

本公司僅有一個類別的股份，所有股份具有相同投票權，並有權收取所宣派之股息。

(a) 股東召開股東特別大會(「股東特別大會」)之權利及程序

按香港《公司條例》(香港法例第622章)，董事須應本公司股東(「股東」)佔全體有權在股東大會上投票表決的總表決權最少5%的股東之要求，隨即辦理召開本公司股東特別大會之程序。

有關要求均必須述明有待於會上處理的事務的一般性質及可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。有關要求必須由要求者簽署並以紙本形式送交至本公司之註冊辦事處給予公司秘書。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Shareholders' Rights (continued)

(b) Rights and procedures for shareholders to make proposals at general meetings

(i) Rights and procedures for a shareholder to propose a person for election as a director are as follows:

Pursuant to Article 86 of the Company's Articles of Association, shareholder(s) may send a notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company's registered office provided that the minimum length of the period during which such notices are given, shall be at least seven days and that the period for lodgement of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

(ii) Rights and procedures for proposing resolution to be put forward at a general meeting:

Shareholder(s) can submit a written requisition to move a resolution at an annual general meeting ("AGM") if they:

- represent at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM; or
- at least 50 shareholders who have a right to vote on the resolution at the AGM.

股東權利(續)

(b) 股東於股東大會上提出建議之權利及程序

(i) 股東提名侯選董事之權利及程序如下：

根據本公司之組織章程細則第86條，股東可發出書面通知表明有意提名一名人士參選董事，而該名人士表明願意接受推選之書面通知須送達本公司註冊辦事處，惟提交有關通告予本公司的期間最短不少於七日，且提交通知之期間最早由寄發為選舉董事而召開的大會之通知翌日起至不遲於該大會舉行日期前七日止。

(ii) 於股東大會上提呈決議案之權利及程序如下：

股東於符合下列條件之情況下，可提出書面請求於股東週年常會（「股東週年常會」）上動議決議案：

- 佔全體有權在股東週年常會上投票表決的股東的總表決權最少2.5%；或
- 最少五十名持有可於股東週年常會有投票表決權利之股東。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Dividend Policy

The Board has adopted the Dividend Policy which sets out the guiding principles with aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities.

Pursuant to this, the Board may propose/declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors the Board may deem relevant.

The Board may also decide on the frequency of dividend payment and further declare/recommend any special distributions. Dividend(s) may be in the form of cash, shares, distribution in specie or any other form as the Board may determine.

The Board may review the Dividend Policy from time to time and update, amend, modify and/or cancel the Dividend Policy at any time in the interest of the Company and its shareholders.

Communication with Shareholders

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, interim report, various notices, announcements and circulars.

The Company shall communicate other information to Shareholders on a need basis by way of announcement which will be posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Other than AGM, EGM shall be held pursuant to relevant rules and regulations if required. Shareholders shall receive explanatory circulars and proxy forms relating to the EGMs. Proxy arrangements for the general meetings are in place for shareholders who are unable to attend the meetings in person.

股息政策

董事會已採納載有指導原則的股息政策，旨在透過在股息分派、保留足夠流動資金和儲備以滿足其營運資金需求及把握未來增長機會之間取得平衡，為股東創造長遠價值。

據此，董事會經考慮本公司目前財務表現、本公司未來財務需求及董事會可能認為相關的任何其他因素後，可提議／宣派派付股息。

董事會亦可決定股息派付的次數以及進一步宣派／建議任何特別分派。股息的形式可為現金、股份、實物分派或董事會可能釐定的其他任何形式。

董事會可不時檢討股息政策，並為了本公司及其股東的權益，於任何時間更新、修訂、修改及／或取消股息政策。

與股東之溝通

本公司採用多種通訊工具，以確保股東可獲得有關主要業務事宜的充份資料，包括股東週年常會、年報、中期報告、各類通告、公佈及通函。

本公司須於必要時以公佈之方式向股東傳達其他資料，有關公佈將於香港交易及結算所有限公司及本公司之網站登載。除股東週年常會外，如要求召開股東特別大會，則須根據相關法律及法規進行。股東應收取有關股東特別大會之說明通函及代表委任表格。本公司已為無法親身出席股東大會之股東作出有關會議之受委代表安排。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Communication with Shareholders

(continued)

Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company, which are available on the Company's website, in order to enable them to make any query in respect of the Company or to make a request for the Company's information to the extent such information is publicly available.

Shareholders' questions about their shareholdings should be directed to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Investor Relations

In order to enhance communication between the Company and investors/analysts, senior management members will hold meetings with investors/analysts upon request as and when the need arises.

Investors are welcome to send email directly to the Company Secretary's email at comsec@lamsoon.com or browse the Company's website for the latest release and financial information.

A dedicated Investor Relations section is available on the Company's website (<http://www.lamsoon.com>). Information on the Company's website is updated on a regular basis.

與股東之溝通(續)

本公司須向股東及投資人士提供本公司之指定聯絡人、電郵地址及查詢熱線(有關資料於本公司之網站可供查閱)，以便他們作出任何有關本公司之查詢或索取本公司可公開之資料。

股東如對名下持有股份有任何問題，應向本公司之股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712至1716室)提出。

投資者關係

為加強本公司與投資者／分析員之間的溝通，高層管理人員會應要求或於必要時與投資者／分析員召開會議。

本公司歡迎投資者直接向公司秘書寄送電子郵件(comsec@lamsoon.com)或瀏覽本公司網站，以獲取最新消息及財務資料。

本公司網站(<http://www.lamsoon.com>)專設「投資者關係」欄目。本公司網站登載之資料會定期更新。