

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE

The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board of Directors that shareholders can maximize their benefits from good corporate governance.

The Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "CG Code") as its own code of corporate governance practices. The Directors consider that the Company has complied with the CG Code during the financial year ended 31 December 2017, except for the deviation from code provision A.6.7 of the CG Code as mentioned below:

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend the issuer's general meetings and develop a balanced understanding of the views of shareholders. Some Independent Non-Executive Directors and Non-Executive Directors were unable to attend the 2017 annual general meeting of the Company held on 18 May 2017 (the "2017 AGM") and extraordinary general meeting held on 11 October 2017 (the "EGM") due to other business engagements. However, the Board believes that the presence of Independent Non-Executive Director at such general meetings developed a balanced understanding of the views of shareholders.

### CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function. The Board is responsible for performing the corporate governance duties including (a) to develop and review the Company's policy and practices on corporate governance; (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual to employees and Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

### 企業管治

本公司一向深明向股東維持透明度及問責之重要性。董事會相信，良好企業管治有助提升股東利益。

本公司已採納上市規則附錄十四所載的企業管治守則(「企業管治守則」)之守則條文，作為本身之企業管治守則。董事認為，於截至二零一七年十二月三十一日止財政年度，本公司一直遵守企業管治守則，惟除以下企業管治守則之守則條文第A.6.7條有所偏離外：

企業管治守則之守則條文第A.6.7條規定獨立非執行董事及其他非執行董事均須出席發行人的股東大會，以對股東之意見有公正之了解。部份獨立非執行董事及非執行董事因其他公務而未能出席本公司於二零一七年五月十八日舉行之二零一七年度股東周年大會(「2017年度股東周年大會」)及於二零一七年十月十一日舉行之股東特別大會(「股東特別大會」)。然而，董事會認為，有獨立非執行董事出席了上述股東大會，已能公正地了解股東之意見。

### 企業管治職能

本公司並無成立企業管治委員會，因此由董事會負責執行企業管治職能。董事會負責履行的企業管治職務包括：(a)制定及審閱本公司企業管治政策及常規；(b)審閱及監督本公司董事及高級管理人員的培訓及持續專業發展；(c)審閱及監督本公司政策及常規，以遵守法律及監管規定；(d)制訂、審閱及監督適用於僱員及董事的操守準則及合規手冊；及(e)檢討本公司有否遵守企業管治守則及企業管治報告內的披露。

### COMPLIANCE WITH MODEL CODE

Throughout the year ended 31 December 2017, the Company has adopted the Model Code and all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code based on the enquiry by the Company.

### SUPPLY OF AND ACCESS TO INFORMATION

All the Directors are supplied with board papers and relevant materials within a reasonable period of time in advance of the intended meeting dates. All Directors have unrestricted access to the management for enquiries and are entitled to have unlimited access to the board papers and relevant materials when required. Management of the Company is responsible for preparation of such adequate information to enable the Board to make an informed decision.

### THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management was delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the Committee of Executive Directors, Audit Committee, Remuneration Committee and Nomination Committee. Further details of these committees are set out in the Annual Report.

The Board has at least four scheduled meetings a year at quarterly interval and meets as and when required. During the financial year ended 31 December 2017, the Board held four meetings, one annual general meeting and one extraordinary general meeting.

### 遵守標準守則

於截至二零一七年十二月三十一日止年度，本公司已採納標準守則，而根據本公司向全體董事所作查詢，彼等確認已完全遵照標準守則所載規定標準。

### 提供及索取資料

全體董事均會於擬定舉行會議日期前合理時間獲提供董事會文件及相關資料。全體董事可隨時向管理層作出查詢，且有權於有需要時隨時查閱董事會文件及相關資料。本公司管理層負責提供該等充足的資料供董事能夠在掌握有關資料下作出決定。

### 董事會

董事會負責領導及監控本公司，同時監督本集團業務、策略決定及業績事宜。董事會已賦予管理層管理本集團之權力及職責。此外，董事會亦已指派執行董事委員會、審核委員會、薪酬委員會及提名委員會各自之職責。有關上述委員會之進一步詳情載於本年報。

董事會每年於四個季度至少各舉行一次會議，並於有需要時會面。截至二零一七年十二月三十一日止財政年度，董事會曾舉行四次會議、一次周年股東大會及一次股東特別大會。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

Board minutes are prepared and kept by the Company Secretaries of the Company and are sent to the Directors for records and are open for inspection by the Directors.

The Directors are enabled, upon the reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board has resolved to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties to the Company.

### BOARD COMPOSITION

As at the date of this report, the Board comprises three Executive Directors, namely Mr. Tang To, Mr. Wong Yiu Ming and Mr. Tang Yu, Freeman, two Non-Executive Directors, namely Mr. Kan Wai Wah and Mr. Qu Jinping and four Independent Non-Executive Directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei.

Except Mr. Tang To, the Chairman and an Executive Director and Mr. Tang Yu, Freeman, the CEO and an Executive Director are father and son, the other Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board. The biographies of the Directors are set out in pages 15 to 20 in the Annual Report, which demonstrates a diversity of skills, expertise, experience and qualifications.

The Company has received annual confirmation of independence from the four Independent Non-Executive Directors in accordance with Rule 3.13 of the Listing Rules. Although two of the Independent Non-Executive Directors, Ms. Yeung Shuk Fan and Mr. Cheng Tak Yin have served the Board for more than nine years, they do not engage in any executive management of the Group. Their familiarity and extensive experience with the Company's businesses may place them in a better position to contribute independent views to the Company. The Board has assessed their independence and concluded that all the Independent Non-Executive Directors are independent within the definition of the Listing Rules.

本公司之公司秘書負責編製及備存會議紀錄，並向董事派發會議紀錄以作紀錄，董事亦可查閱會議紀錄。

在適當情況下，董事可合理要求徵詢獨立專業意見，費用由本公司承擔。董事會已議決向董事提供個別適當之獨立專業意見，以協助有關董事履行本公司職務。

### 董事會成員

於本報告日期，董事會由三名執行董事鄧燾先生、黃耀明先生及鄧愚先生；兩名非執行董事簡衛華先生及瞿金平先生以及四名獨立非執行董事楊淑芬女士、鄭達賢先生、何偉森先生及黃志煒先生組成。

除主席兼執行董事鄧燾先生及行政總裁兼執行董事鄧愚先生為父子關係外，其他董事會成員相互之間概無任何財務、業務、家族或其他重大關係。本公司致力成立平衡之董事會，確保成員之間具有高度獨立性。董事履歷載於年報第15至20頁，顯示彼等具備多元化技能、專業知識、經驗及資格。

本公司已取得四名獨立非執行董事按照上市規則第3.13條發出之年度獨立身份確認書。雖然其中兩位獨立非執行董事，楊淑芬女士及鄭達賢先生服務董事會至今已超過九年，但彼等概無參與本集團任何行政管理工作，並對本公司業務之熟悉及資深經驗有助其向本公司提供較佳之獨立意見。董事會已評估各獨立非執行董事之獨立性，認為彼等全屬上市規則界定之獨立人士。

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In order to preserve independence and to have balanced judgment of views, there is a clear separation of the roles and responsibilities of the Chairman and CEO and the two positions are held by two different members of the Board. The Board has appointed a Chairman, Mr. Tang To, who is an Executive Director and is responsible for the Company's overall strategic planning and provides leadership to the Board so that the Board works effectively and all important issues are discussed in a timely manner. The CEO, Mr. Tang Yu, Freeman, is an Executive Director and is responsible for the daily operation and business directions of the Group.

### NON-EXECUTIVE DIRECTORS

Each of the Non-Executive Directors (including Independent Non-Executive Directors) has entered into an appointment letter with the Company pursuant to which each of them is appointed for service with the Company for a term of three years, subject to the rotational retirement provision of the Articles.

Pursuant to Rule 3.10A of the Listing Rules, the Company has appointed sufficient number of independent non-executive directors. The Company has received from each of the Independent Non-Executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the Independent Non-Executive Directors are independent.

### RESPONSIBILITIES OF DIRECTORS

The Directors are continually provided with updated statute, common law, the Listing Rules, laws and regulations, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-Executive Directors take an active role in board meetings, contribute to the development of strategies and policies and make sound judgment on issues of strategy, policy, performance, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also the members of various committees and examine the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

### 主席及行政總裁

為維持獨立性及達致平衡意見，主席與行政總裁角色及職責清楚劃分，兩個職位由董事會不同成員擔任。董事會委任執行董事鄧燾先生擔任主席，負責本集團整體策略規劃及領導董事會，確保董事會有效運作和及時討論所有重大事宜。行政總裁為執行董事鄧愚先生擔任，負責本集團日常營運及業務方針。

### 非執行董事

每位非執行董事（包括獨立非執行董事）已與本公司訂立委任書，任期為三年，但須根據章程細則的規定輪席退任。

根據上市規則第3.10A條，本公司已委任足夠的獨立非執行董事人數。本公司已接獲各獨立非執行董事根據上市規則第3.13條確認其獨立性之年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

### 董事職責

董事不時獲提供有關成文法、普通法、上市規則、法律及法規、業務及市場轉變以及本集團策略發展之最新資料，以便彼等履行職責。

獨立非執行董事於董事會會議扮演積極角色，為策略及政策發展作出貢獻，亦就策略、政策、業績、委任重要職位及操守準則等事宜提供良好判斷。獨立非執行董事主導解決可能產生之利益衝突問題。彼等亦為各委員會之成員，負責評核本集團在達致協定公司目標方面之整體表現，並監控業績申報事宜。

## **APPOINTMENTS, RE-ELECTION, REMOVAL AND NOMINATION OF DIRECTORS**

Every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and that any Director appointed to fill a casual vacancy on the Board shall be subject to re-election by shareholders at the forthcoming general meeting after the appointment and any Director appointed as additional members to the Board shall hold office until the next following annual general meeting of the Company.

## **DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT**

All Directors are encouraged to attend the continuous professional development trainings. All the Directors have been supplied with relevant reading materials regarding corporate governance or attend relevant forums or training courses organized by qualified professionals on relevant topics to develop and enhance their knowledge and skills in relation to their contribution to the Board.

## **DELEGATION BY THE BOARD**

The day-to-day operations of the Company are delegated to the senior management of the Company by the Board, with division heads responsible for different aspects of the business.

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

## **BOARD COMMITTEES**

The Board currently has four committees, namely Committee of Executive Directors, Audit Committee, Remuneration Committee and Nomination Committee to manage particular aspects of the Company's affairs. The Audit Committee, Remuneration Committee and Nomination Committee are empowered by the Board and have formulated their own terms of reference which have been posted on the websites of the Stock Exchange and the Company.

## **委任、重選、撤換及董事提名**

每名董事(包括有特定任期者)須最少每三年輪值退任一次,任何獲委任填補臨時空缺之董事須於委任後即將舉行之股東大會獲股東重選以及獲委任為董事會新增成員之董事,任期直至下一屆本公司股東周年大會為止。

## **董事持續專業發展**

本公司鼓勵全體董事參與持續專業發展,所有董事已獲本公司提供有關企業管治的閱讀資料或出席由合資格專業團體舉辦的相關課程或座談會等,增加彼等的知識及技能,從而對董事會作出貢獻。

## **董事會委派代表**

董事會委派本公司高級管理人員負責管理本公司日常運作,部門主管負責業務不同範疇。

董事會特定委派予本公司高級管理人員執行主要公司事宜包括執行董事會採納之業務策略及計劃、推行內部監控及風險管理程序,以及遵守相關法律、法規及規則。

## **董事委員會**

董事會現時設有四個委員會,分別為執行董事委員會、審核委員會、薪酬委員會及提名委員會,藉以處理本公司特定範疇的事務。審核委員會、薪酬委員會及提名委員會獲董事會授予職權及擬定其職權範圍,該等職權範圍刊載於聯交所及本公司網站。

### Committee of Executive Directors

The Company has established the Committee of Executive Directors which includes all the three Executive Directors of the Board and meets frequently as when necessary and is responsible for the management and day-to-day operations of the Group.

### Audit Committee

The Audit Committee has established on 27 June 2005 and consists of three members of all Independent Non-Executive Directors, namely, Ms. Yeung Shuk Fan (Chairman), Mr. Cheng Tak Yin and Mr. Ho Wei Sem, who among themselves possess a great deal of management experience in the accounting profession and commercial sectors.

The Board of Directors has adopted terms of reference which are in line with the code provisions of the CG Code. The terms of reference of the Audit Committee is currently made available on the Stock Exchange's website and the Company's website.

The Audit Committee members meet the external auditors at least twice a year to discuss any areas of concerns during the audits. As considered necessary and requested by any one or more of the Independent Non-Executive Directors, the Audit Committee members shall meet with the external auditors without the presence of the executive directors. The Audit Committee reviews the interim and annual reports before submission to the Board for approval. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements from time to time.

### 執行董事委員會

本公司成立由董事會全部三名執行董事組成之執行董事委員會，於需要時經常會面，負責本集團管理及日常運作。

### 審核委員會

審核委員會已於二零零五年六月二十七日成立，由三名成員組成，所有成員為獨立非執行董事，彼為楊淑芬女士(主席)、鄭達賢先生及何偉森先生，彼等均具備豐富會計專業及商界管理經驗。

審核委員會已採納符合企業管治守則之守則條文的職權範圍。審核委員會之職權範圍已載於聯交所及本公司網站。

審核委員會成員與外聘核數師每年最少會面兩次，以討論核數期間任何須予關注事宜。在任何一名或多名獨立非執行董事認為有需要及要求下，審核委員會成員可在無執行董事在場情況下與外聘核數師會面。在提交至董事會批准前，審核委員會會檢閱中期及年度報告。審核委員會不時專注於會計政策及常規變動之影響，亦著重遵守會計準則、上市規則及法例規定。

**CORPORATE GOVERNANCE REPORT (CONTINUED)**  
**企業管治報告 (續)**

During the year under review, three Audit Committee meetings were held and the Audit Committee has performed the following duties:

1. reviewed with the management the accounting principles and practices adopted by the Group;
2. reviewed the audited financial statement for the year ended 31 December 2016 and the unaudited interim financial statement for the six months ended 30 June 2017 with recommendation to the Board for approval; and
3. reviewed principles and procedures on internal control system covering financial, operational and risk management functions.

Detailed minutes of Audit Committee meetings are prepared and kept by a duly appointed secretary of the meetings. Draft and final versions of minutes of the Audit Committee meetings are sent to all members of the Audit Committee for their comments and records respectively. First version should be sent out to all members for comments within approximately 30 days and execution version will be sent to all members for record purpose.

**Auditors' Remuneration**

During the year under review, the remuneration paid to the Company's auditors, Messrs. Ting Ho Kwan & Chan, is set out as follows:

回顧本年度，本公司曾舉行三次審核委員會會議及審核委員會已執行下列的工作：

1. 與管理層檢討本集團採納的會計制度及政策；
2. 審閱截至二零一六年十二月三十一日止年度之已審核財務報告及截至二零一七年六月三十日止六個月之未經審核中期財務報告，並向董事會提出建議及批准；及
3. 檢討涵蓋財務、營運及風險管理等方面的內部監控系統的原則及程序。

詳盡的審核委員會會議紀錄由正式委任之會議秘書編製及備存。審核委員會會議紀錄之草擬本及最終本將送交審核委員會全體成員，分別供彼等提供意見及保存。首個版本將於會議後約30日內送交全體成員，以供彼等提供意見，而最終簽署本將送至所有董事作紀錄之用。

**核數師酬金**

回顧本年度，支付本公司核數師丁何關陳會計師行之酬金載列如下：

		<b>Fee paid/payable</b>
		已付／應付費用
		HK\$
		港元
Services rendered	所提供服務	
Audit services	核數服務	2,280,000
Non-audit services	非核數服務	100,000
		<hr/>
		2,380,000

### Remuneration Committee

The Remuneration Committee has been established on 27 June 2005 and consists of four members with a majority of Independent Non-Executive Directors, namely Ms. Yeung Shuk Fan (Chairman), Mr. Cheng Tak Yin and Mr. Tang To.

The Board of Directors has adopted terms of reference which are in line with the code provisions of the CG Code and is currently available on the Stock Exchange's website and the Company's website.

The Remuneration Committee members shall consider factors such as salaries paid by comparable companies, time involvement of directors and job responsibilities, individual performance and Company's performance and profitability to determine the remuneration of the Directors.

During the year under review, two remuneration committee meetings were held and the works performed by the Remuneration Committee are summarized as follows:

- (i) To determine the policy for remuneration of Directors and to make recommendations with respect to the remuneration of the Executive Directors and the senior management of the Company for approval by the Board;
- (ii) To oversee performance of the Executive Directors; and

### 薪酬委員會

薪酬委員會於二零零五年六月二十七日成立，由四名成員組成，其中大部分為獨立非執行董事，彼等為楊淑芬女士(主席)、鄭達賢先生、何偉森先生及鄧燾先生。

董事會已採納符合企業管治守則的職權範圍及已載於聯交所及本公司網站。

薪酬委員會成員會考慮因素，如同類公司所支付的薪金、董事所付出的時間、其職責、個人表現及公司業績和盈利狀況去釐訂董事薪酬。

回顧本年度，本公司曾舉行兩次薪酬委員會會議，薪酬委員會之工作總括如下：

- (i) 釐定董事薪酬政策及就執行董事及本公司高級管理人員之薪酬提供建議，以供董事會批准；
- (ii) 監管執行董事之表現；及



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

(iii) To review the remuneration package and recommend salaries, bonuses, including the incentive awards for both Executive and Non-Executive Directors and the senior management.

(iii) 檢討執行董事、非執行董事及高級管理人員之薪酬組合，並就薪金、花紅及獎金提供建議。

The Remuneration Committee annually sets out its recommendation on the remuneration package of the Executive Directors. For the financial year ended 31 December 2017, the Remuneration Committee has reviewed and recommended to the Board the salaries and bonuses of the Executive Directors and the senior management of the Company.

薪酬委員會每年就執行董事之薪酬組合提供建議。截至二零一七年十二月三十一日止財政年度，薪酬委員會已檢討本公司執行董事及高級管理人員之薪金及花紅，並就此向董事會提供建議。

#### Remuneration of Directors and Senior Management

Details of the amount of Directors' emoluments are set out in Note 11 to the Consolidated Financial Statements. Remuneration of senior management disclosed by salary range is set out as follows:

#### 董事及高級管理人員薪酬

董事酬金詳情列載於綜合財務報表附註11。按薪酬組別披露的高級管理人員的薪酬如下：

#### The remuneration of senior management were within the following salary range

高級管理人員薪酬分為下列薪酬組別

#### Number of employees

員工人數

2017

二零一七年

HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	1
		2

### Nomination Committee

The Nomination Committee has been established on 29 March 2012 and comprises three Independent Non-Executive Directors namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sem and two Executive Directors namely Mr. Tang To (Chairman) and Mr. Tang Yu, Freeman.

The Board of Directors has adopted terms of reference which are in compliance with the code provisions of the CG Code. Terms of Reference of the Nomination Committee is currently available on the Stock Exchange's website and the Company's website.

The Nomination Committee will review the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board on a regular basis and make recommendations regarding any proposed changes, identify suitable individual qualified to become board members and makes recommendation on relevant matters relating to the appointment or re-appointment of Directors if necessary, in particular, to those candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result in the constitution of strong and diverse Board.

Furthermore, the Nomination Committee will also review the board diversity (including but not limited to gender, age, cultural and educational background) of the Board at least annually to complement the Company's corporate strategy.

During the year under review, a nomination committee meeting was held and the works performed by the nomination committee are summarized as follows:

- (i) review of current structure, size and diversity of the Board;
- (ii) assessment and review of the independence of Independent Non-Executive Directors;
- (iii) review of the training and continuous professional development of Directors; and
- (iv) review of terms of reference of nomination committee.

### 提名委員會

提名委員會於二零一二年三月二十九日成立，由三名獨立非執行董事組成，彼為楊淑芬女士、鄭達賢先生、何偉森先生、及兩名執行董事鄧熹先生(主席)及鄧愚先生。

董事會已採納符合企業管治守則之守則條文的職權範圍。提名委員會之職權範圍已列載於聯交所及本公司網站。

提名委員會定期檢討董事會架構、規模及成員(包括但不限於技能、知識及經驗)，就並任何建議變動作出推薦意見。在有需要之情況下，物色合資格人士加入董事會之適當人選，並就董事委任及連任事宜提供建議，尤其是可以透過其在相關策略業務範疇所作貢獻加強管理，及獲委任後將令董事會實力更雄厚及更多元化之人選。

提名委員會亦會並就本公司的發展策略，至少每年檢討董事會多元化(包括但不限於性別、年齡、文化及教育背景)。

回顧本年度，本公司曾舉行兩次提名委員會會議，提名委員會之工作總結如下：

- (i) 檢討現時董事會的結構、規模及多元化；
- (ii) 評核獨立非執行董事的獨立性；
- (iii) 檢討董事的培訓和持續專業發展；及
- (iv) 檢討提名委員會職權範圍。

**CORPORATE GOVERNANCE REPORT (CONTINUED)**  
**企業管治報告 (續)**

The Nomination Committee is of the opinion that the current size and composition of the Board is adequate to facilitate effective decision-making, and is also satisfied that the existing composition of the Board, which as a group provides the core competencies necessary to guide the Group.

提名委員會已檢討董事會現行規模及成員，認為足以有效決策，亦滿意其成員，認為整體符合領導本集團所需資格。

**Attendance at Board meetings, Board Committee Meetings and General Meetings**

Attendance record of individual Directors during the year is as follows:

**董事會會議、董事委員會會議及股東大會出席記錄**

個別董事於本年度內之個別出席記錄如下：

		Number of meetings attended/held 出席／舉行會議次數					
		Board meetings 董事會會議	Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Annual general meeting 股東周年大會	Extraordinary general meeting 股東特別大會
<b>Directors</b>	<b>董事</b>						
<b>Executive Directors</b>	<b>執行董事</b>						
Tang To (Chairman)	鄧 燾 (主席)	4/4	-	2/2	1/1	1/1	1/1
Wong Yiu Ming (Executive Vice Chairman)	黃耀明 (執行副主席)	2/4	-	-	-	0/1	0/1
Tang Yu, Freeman (Chief Executive Officer)	鄧 愚 (行政總裁)	4/4	-	-	1/1	1/1	0/1
<b>Non-Executive Directors</b>	<b>非執行董事</b>						
Kan Wai Wah	簡衛華	3/4	-	-	-	0/1	0/1
Qu Jinping	瞿金平	4/4	-	-	-	0/1	0/1
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>						
Yeung Shuk Fan	楊淑芬	4/4	3/3	2/2	1/1	1/1	1/1
Cheng Tak Yin	鄭達賢	3/4	3/3	2/2	1/1	1/1	1/1
Ho Wei Sem	何偉森	4/4	3/3	2/2	1/1	0/1	0/1
Huang Zhi Wei	黃志偉	4/4	-	-	-	0/1	0/1

## INTERNAL CONTROLS

### Internal Control

The Board acknowledges its responsibility in maintaining a sound and effective system of internal control for the Group to safeguard interests of the shareholders and assets of the Company at all times.

The Group's system of internal control which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for external publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in the operational systems and achievement of the Group's objectives.

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material factors related to financial, operational and compliance controls, various functions for risk management and physical and information systems security. The audit committee had been reported during the audit committee meetings of key findings identified by the Company's external auditor and discussed findings and actions or measures taken in addressing those findings relating to the Group's internal controls. No material issues on the system of internal control have been identified during the year ended 31 December 2017 which required significant rectification works.

The Board has, working in conjunction with senior management, conducted a review on the audit work carried out by the internal audit team during the year with a view to enhancing the Group's internal control system.

## 內部監控

### 內部監控

董事會知悉其有責任維持本集團良好及有效之內部監控制度系統，使股東的權益及本公司資產在任何時間均得到保障。

本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理（但並非絕對）保證並無重大失實陳述或損失，並管理（但並非完全消除）營運系統失誤及達致本集團之目標。

管理層於年內定期檢討內部監控制度之成效，該制度涵蓋一切有關財務、營運及合規監控、風險管理工作以及實際及資訊系統保安等重要因素。本公司外聘核數師於審核委員會會議向審核委員會匯報有關內部監控之主要發現，審核委員會就有關之發現所採取行動或措施作過討論。截至二零一七年十二月三十一日止年度內，並無重大的內部監控問題須予重大糾正。

董事會亦與高級管理層已檢閱內部審核隊伍於年內進行之審核工作以加強本集團內部監控系統。

### **Internal Audit Function**

The Group's internal audit team is responsible for conducting regular review of the Group's internal control procedures, including accounting system and operational procedures, and will make recommendations to the relevant department management for necessary actions. The management considers the present work arrangement of the internal audit functions is effective having taking into account the current organizational structure, lines of responsibility, authority of the management team and the risks associated with the operations of the Group. The management and Audit Committee review and monitor closely the works of the internal audit team and are committed to strengthening the functions of the Group's internal audit team. In addition to its agreed scheduled work, the internal audit team may conduct other review and investigative work of the Group's businesses on an ad hoc basis as and when necessary.

### **RISK MANAGEMENT**

The Board recognises risk management is one of the key elements to the success of the Company. The Group takes a pragmatic approach to manage different risks to align with its business development strategically. The management identifies potential risks, assesses their impact and likelihood and develops appropriate action plans to mitigate risks to a level that the Company is willing to take in achieving the Company's objectives on a regular basis. The Group will continue to enhance the risk management practice and internal control system and adopts a stringent governance framework with reference to the best practice in the market.

The Group's business, financial position and results may be affected by certain risks and uncertainties. Foreign currency risk, interest rate risk, liquidity risk and credit risk are the main inherent risks which may cause the Group's financial condition or results differing materially from expected or historical results.

### **內部審核職能**

本集團之內部審核隊伍負責定期審閱本集團內部監控程序，包括會計系統及營運程序，並會向有關部門管理層提出建議以作出相應行動。在經考慮現行組織架構、職責、管理團隊之權力以及本集團業務所涉及風險後，管理層認為現時內部審核職能之工作安排屬有效。管理層與審核委員會現正緊密地檢討及監督內部審核隊伍之工作，並致力加強本集團內部審核隊伍之職能。除了其已定之工作日程外，內部審核隊伍亦可能在需要時進行本集團非固定的其他審查和調查工作。

### **風險管理**

董事會認為風險管理為本公司成功關鍵因素之一。本集團採取務實方法管理不同風險，以確保與業務發展策略一致。管理層定期識別潛在風險、評估其影響及可能性，並制定合適行動計劃，以減輕風險程度至本公司願意承擔之程度。本集團將繼續提升風險管理措施及內部監控制度，並參考市場上最佳常規採納嚴格管治框架。

本集團之業務、財務狀況及業績可能受若干風險及不確定因素所影響。外匯風險、利率風險、流動資金風險及信貸風險為可能導致本集團之財務狀況及業績與預期或過往業績有明顯差別之主要內在風險。

### Foreign currency risk

The Group's reporting currency is Hong Kong dollar and most of the business transactions are denominated in other currencies including United States dollar, Renminbi and Japanese Yen. The Group enters into currency contracts to hedge against the currency risks arising from Group's operations and its funding sources, with reference to cash flow forecasts, capital expenditure commitment and business budget. The Group does not speculate on foreign currencies.

### Interest rate risk

The Group's exposure to the risk of changes in interest rates mainly attributable to the bank loan obligations with floating interest rates. The Group has adequate internal control procedures to monitor the financial position exposures arising from fluctuation in the market interest rate for funding sources denominated in HK dollars, Renminbi and other foreign currencies.

### Liquidity risk

The objective of liquidity risk management is to ensure the adequacy of Group's funds to meet the daily business operations, capital commitment and bank loans repayment. The Group monitors its liquidity position on a daily basis as the Group's treasurer also reviews the bank loans and cashflow positions in different geographical areas and adjusts the mix of short-term and long-term re-financing requirements.

### Credit risk

Credit risk arises from the possibility that the customers are unwilling or unable to fulfill their obligations which then incurs financial losses to the Group. The Group's credit control function manages the credit risks by assessing the credit limits and credit terms to be granted to customers and setting up the internal control system of credit approvals and other monitoring procedures to recover overdue debts, if any. The Group also enters into credit insurance contracts to mitigate the credit risks arising from the collection of accounts receivables balances.

### 外匯風險

本集團以港元為呈報貨幣，而大部分業務交易以其他貨幣計值，包括美元、人民幣及日圓。本集團根據現金流量預測、資本開支承擔及業務預算，訂立遠期貨幣合約以對沖本集團業務及其財務資源所產生之外匯風險。本集團並無炒賣外幣。

### 利率風險

本集團所面對之利率變動風險主要按浮息計算之銀行貸款責任。本集團有充足內部監控程序監控以港元、人民幣及其他貨幣計值之融資渠道，因市場利率波動所引致之財務狀況風險。

### 流動資金風險

管理流動資金風險之目的為確保本集團有充足資金應付日常業務營運、資本承擔及償還銀行貸款。本集團每日均監控其流動資金狀況，集團司庫亦會審閱於不同地區範圍之銀行貸款及現金流量狀況，並調整短期及長期再融資組合之要求。

### 信貸風險

信貸風險乃客戶不願或不能履行其責任而導致本集團承受財務損失時而產生。本集團之信貸監控職能為透過評估將向客戶授出之信貸限額及信貸期，以及設立審批信貸之內部監控系統及其他監察程序以收回逾期借貸(如有)，管理信貸風險。本集團亦訂立信貸保險合約，以減低收取應收賬款結餘所引致之信貸風險。

## **INVESTOR RELATIONS AND COMMUNICATIONS**

Recognising the importance of maintaining on-going communication with shareholders, the Board establishes a shareholders' communication policy and reviews it on a regular basis to ensure its effectiveness. To facilitate the timely, transparent and effective communication with shareholders, the Board provides different communication channels for shareholders and investors including annual general meetings and other general meetings.

The annual general meeting provides a forum for the Company's shareholders to raise comments, offer suggestions, and exchange views with the Board. The notice of annual general meeting is distributed to all shareholders at least 20 clear business days before the meeting. The Chairman of the Board, the Chairman of the Nomination Committee, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee and external auditors shall attend each annual general meeting or any general meeting to answer questions from the shareholders on the performance of the Company so as to allow them to fully understand the Company's operations, management and development.

During the year, the Board convened the AGM and EGM. The voting results of annual general meeting were published on the websites of the Stock Exchange and the Company and the results are available for inspection by the shareholders of the Company upon request made to the Company Secretaries. The attendance record of the Directors at the meetings is set out on page 40 of this Annual Report.

Besides general meeting, the Executive Directors and senior management of the Company met with various investors during the year to enhance interactive communications with shareholders and investors. Our official website contains timely updated company news, corporate information, announcements, and interim and annual reports of the Group, all of which are available for download with a view of making easy access to corporate information for the shareholders and investors of the Company. Circulars, interim and annual reports are sent to shareholders of the Company and investors in a timely manner and they are also available on the websites of the Company and the Stock Exchange.

## **投資者關係及溝通**

董事會認同持續與股東保持溝通之重要性，並制訂股東溝通政策，且定期進行檢討以確保其效益。為促進與股東進行適時、具透明度及有效之溝通，董事會提供不同渠道與股東及投資者溝通，包括股東周年大會及其他股東大會。

股東周年大會為本公司股東提供平台，向董事會提出意見、建議並與董事會交換意見。股東周年大會通知於大會舉行前至少20個完整營業日向全體股東發佈。董事會主席、提名委員會主席、審核委員會主席及薪酬委員會主席及外聘核數師須出席各個股東周年大會或任何股東大會，以解答股東對本公司表現之提問，使彼等可全面瞭解本公司之營運、管理及發展。

於本年度內，董事會召開2017年度股東周年大會及股東特別大會。2017年度股東周年大會及股東特別大會之投票結果已載於聯交所及本公司網站，而本公司股東亦可向公司秘書要求查詢有關結果。董事出席大會之記錄載於本年報第40頁。

除股東大會外，執行董事及本公司高級管理人員於本年度內與不同投資者會面，以加強與股東及投資者之互動溝通。本集團之官方網站載有適時更新之公司消息、公司資料、公告，以及中期及年度報告，可輕易下載，方便本公司股東及投資者取得企業資料。通函、中期及年度報告亦會適時寄發予本公司股東及投資者，並可於本公司及聯交所網站查閱。

## SHAREHOLDERS' RIGHT

The Company follows a policy of disclosing information to shareholders in a timely manner. Members of the Board meet and communicate with shareholders at the 2017 AGM and the EGM. The notices of the AGM and EGM is distributed to all shareholders at least 20 clear business days prior to the AGM and EGM and accompanying circular also set out details of each proposed resolution and other relevant information as required under the Listing Rules. The Chairman proposes separate resolution for each issue to be considered and put each proposed resolution to the vote by way of a poll. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of the AGM, to ensure that shareholders are familiar with such procedures. Voting results are available in the Company's website on the day after the AGM. The Chairman of the Board has attended at annual general meeting and/or general meeting to be available to answer questions from shareholders.

In accordance with the Articles and the Companies Ordinance, any members holding at the date of the deposit of the requisition not less than one-twentieth of total voting rights of the Company, is entitled to deposit a requisition to the registered office of the Company to convene an extraordinary general meeting of the Company.

The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at 10/F, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong for the attention of the Board or the Company Secretaries. The documents may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified by the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Board will convene the EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified as not in order, the requisitionist will be advised of this outcome and the EGM will not be convened as requested.

## 股東之權利

本公司乃沿用及時披露有關資料予股東之政策。董事會成員與股東在本公司之2017年度股東周年大會及股東特別大會上會面及溝通。股東周年大會及股東特別大會通告會於股東周年大會及股東特別大會舉行前至少二十個完整營業日派送予所有股東，而隨附之通函亦列明各項提呈之決議案詳情及按上市規則規定之其他有關資料。主席就每項獨立之事宜個別提出決議案以供審議，並對各項提呈之決議案以點票方式進行表決。本公司亦會於股東周年大會開始時向股東講解有關點票表決之程序，以確保各股東明白有關程序。投票表決之結果於股東周年大會結束後當天於本公司網站登載。董事會主席會出席股東周年大會及／或股東大會，準備於會上回應股東的提問。

根據本公司章程細則及《公司條例》，任何於遞呈要求日期時持有不少於本公司的總表決權二十分之一的股東，有權根據下文所載之方式向本公司的註冊辦事處發出書面請求，要求董事會召開股東特別大會。

書面要求須述明會議的目的且經遞呈要求人士簽署，並將之遞呈至本公司的註冊辦事處（地址為香港九龍長沙灣長裕街10號億京廣場2期10樓），致本公司董事會或公司秘書。當中可包含數份同樣格式的文件，而每份文件均由一名或多於一名遞呈要求人士簽署。

要求將由本公司股份過戶登記處核對。當確認要求妥當及合理時，本公司董事會將召開股東特別大會，並根據法定要求向所有股東提供足夠的通知。相反，倘要求被核實為不合理，有關結果將知會該遞呈要求人士，且不會按要求召開股東特別大會。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

If within twenty-one days from the date of deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an extraordinary general meeting in the same manner, all reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly convene the extraordinary general meeting shall be reimbursed by the Company to the requisitionist(s).

## FINANCIAL REPORTING

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements, and announcements to shareholders. The responsibilities of the Directors in relation to the financial statement, should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 63 to 70 which acknowledges the reporting responsibilities of the Group's auditors. The Directors aim to present a balanced and understandable assessment of the Group's, position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcement(s) and other financial disclosures required under the Listing Rules, and reports to the regulators.

倘遞呈有關要求後二十一日內，董事會未有召開該大會，則該等遞呈要求人士或佔全體遞呈要求人士一半以上總表決權的人士，可自行召開會議，但如此召開的會議不得在上述日期起計三個月屆滿後舉行。由遞呈要求人士根據本條召開的會議，須盡可能以接近董事召開會議的方式召開。遞呈要求人士因董事沒有妥為召開會議而招致的任何合理費用，須由本公司償還予遞呈要求人士。

## 財務匯報

管理層向董事會提供有關解釋及資料，以便董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事確認須負責為每一財政年度編製能真實及公平地反映本集團財務狀況之財務報告以及向股東提呈中期及年度財務報表及公告，董事對財務報表之責任，應與第63頁至70頁闡明本集團核數師呈報職責的獨立核數師報告一併閱讀，但兩者應分別獨立理解。董事旨在就本集團現況及前景提呈均衡及容易理解之評估。董事會並未注意到任何與或對本集團持續經營能力構成重大疑慮之事件或情況有關之重大不確定因素，因此，董事會繼續採用持續經營基準編製賬目。

董事會明瞭，其有責任在本公司年報及中期報告、其他價格敏感公佈及上市規則規定之其他財務披露中，提供平衡、清晰及易於理解之評估，並向監管機構申報。

### COMPANY SECRETARY

As at the date of the Annual Report, the Joint Company Secretaries of the Company are Ms. Mak Po Man and Mr. Yeung Yuk Lun, the Chief Financial Officer of the Group. They are employees of the Company and responsible for providing advices to the Board for ensuring the Board procedures are followed and that the applicable laws and regulations are complied with. Ms. Mak Po Man has resigned as joint company secretary on 21 March 2018. After the resignation of Ms. Mak Po Man, Mr. Yeung Yuk Lun remains as the Company Secretary of the Company.

The Joint Company Secretaries of the Company have complied with all the proposed qualifications, experience and training requirements under the Listing Rules.

### CONSTITUTIONAL DOCUMENTS

During the year, there is no significant change in the Company's constitutional documents.

### 公司秘書

於本年報日期，本公司之聯席公司秘書為麥寶文女士及本集團首席財務總監楊毓麟先生。彼等為本公司的僱員，負責就確保董事會程序、適用法例及法規得以遵守、董事履行證券權益披露及遵守上市規則等，向董事會提供意見。麥寶文女士於二零一八年三月二十一日辭任聯席公司秘書。緊隨麥寶文女士辭任，楊毓麟先生繼續擔任本公司的公司秘書。

彼等已符合上市規則所列的所有建議資歷、經驗及培訓規定。

### 公司章程文件

於本年度內，本公司之公司憲章文件並無重大變動。