

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) is committed to maintaining high standards of corporate governance. It believes that high standards of corporate governance provide a framework and solid foundation for the Company and its subsidiaries (collectively, the “Group”) to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders’ interest in general. The Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except for CG Code provision A.2.1 for the year ended 31st March 2018 (the “Year”).

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

### CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, as amended from time to time, as its own code of conduct (the “Company’s Model Code”) regarding securities transactions by the directors of the Company (the “Directors”). Having made specific enquiry of all Directors, they all confirmed that they have complied with the required standard as set out in the Company’s Model Code during the Year. The Company’s Model Code also applies to other specified relevant employees of the Group who are considered to be likely in possession of inside information in respect of their dealings in the securities of the Company.

滬港聯合控股有限公司(「本公司」)之董事會(「董事會」)致力維持高水平之企業管治。董事會相信高水平之企業管治可為本公司及其附屬公司(統稱「本集團」)建立一個框架及穩固之基礎，以管理業務風險、增加透明度、維持高水平問責制及保障股東之整體權益。於截至二零一八年三月三十一日止年度內(「本年度」)，本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之原則，並遵守一切適用守則條文，惟企業管治守則條文第A.2.1條除外。

董事會將不斷檢討及改善本公司之企業管治常規及準則，確保業務活動及決策過程受到適當及審慎之規管。

### 董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(經不時修訂)，作為本公司董事(「董事」)進行證券交易的守則(「本公司之標準守則」)。經向全體董事作出特定查詢後，彼等均確認於本年度內已遵守本公司之標準守則所載之所需規定。本集團其他特定之相關僱員(彼等被視為可能知悉內幕消息)於買賣本公司之證券時亦須遵守本公司之標準守則。

### THE BOARD

As at the date of this report, the Board consists of three Executive Directors and four Independent Non-executive Directors. The composition of the Board during the Year and up to the date of this report is set out as follows:

#### Executive Directors:

Mr. Yao Cho Fai Andrew (*Chairman and Chief Executive Officer*)  
Ms. Luk Pui Yin Grace  
Mr. Lau Chi Chiu

#### Independent Non-executive Directors:

Mr. Tam King Ching Kenny  
Mr. Xu Lin Bao  
Mr. Tse Lung Wa Teddy  
Mr. Yeung Wing Sun Mike

The brief biographical details of the Directors are set out in the “Profile of Directors and Senior Management” on pages 57 to 60 of this annual report.

### Board Process

Throughout the Year and up to the date of this report, the Company has four Independent Non-executive Directors exceeding one-third of the Board. One of the Independent Non-executive Directors has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. Each of the Independent Non-executive Directors has made an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Board members have no financial, business, family or other material relevant relationships with each other.

The Executive Directors are responsible for managing the overall business. They are mainly involved in the formulation and execution of the corporate strategies. The Independent Non-executive Directors consist of eminent business executives from Hong Kong and Mainland China, who provide independent advices to the management through their wide range of skills and experiences. The Executive Directors have regular meetings with general managers of respective business units and key staff of support units to discuss major business plans and review operational and financial performance. The Independent Non-executive Directors are also invited to participate in special review meetings.

### 董事會

於本報告日期，董事會由三名執行董事及四名獨立非執行董事組成。於本年度及截至本報告日期止，董事會成員載列如下：

#### 執行董事：

姚祖輝先生(主席兼首席執行官)  
陸佩然女士  
劉子超先生

#### 獨立非執行董事：

譚競正先生  
徐林寶先生  
謝龍華先生  
楊榮樂先生

董事之履歷詳情載於本年報第57頁至第60頁之「董事及高級管理人員履歷」一節內。

### 董事會程序

於本年度及截至本報告日期止，本公司有四名獨立非執行董事，多於三分之一的董事會人數。根據上市規則第3.10條之規定，其中一名獨立非執行董事具備適當之專業資格或會計或相關財務管理專長。每位獨立非執行董事已根據上市規則第3.13條之規定提交確認其符合獨立性之週年確認書。本公司認為所有獨立非執行董事皆符合載於上市規則第3.13條之獨立性指引，並根據該指引條款被視為獨立人士。董事會成員彼此間並無財務、業務、家族或其他重大相關關係。

執行董事負責管理整體業務。彼等主要參與制定及執行企業策略。獨立非執行董事由香港及中國內地之卓越商業行政人員所組成，透過彼等所擁有之豐富技能及經驗向管理層提供獨立建議。執行董事定期與各業務單位總經理及支援單位之重要員工舉行會議，商討主要業務計劃及檢討營運與財務表現。獨立非執行董事亦被邀請參與特別檢討會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company has established four Board Committees, namely Executive Committee, Remuneration Committee, Audit Committee and Nomination Committee, to oversee various aspects of the affairs.

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The daily operations of the Group's business are executed by the management of the respective business units under the instruction and supervision of the Executive Committee which has its special written terms of reference.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. Individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee and Nomination Committee as well as general meeting during the Year are set out below:

本公司已成立四個董事委員會，即執行委員會、薪酬委員會、審核委員會及提名委員會，以審視多方面之事務。

董事會主要負責就本集團整體策略、年度經營預算、全年及中期業績、提名委員會建議的董事任命或重新委任、重大合同及交易、企業管治以及其他重要政策和財務等事宜作決策或審議。執行委員會按其特別書面職權範圍，領導及監管各業務單位之管理層處理本集團業務之日常運作。

董事會定期召開會議以討論本集團之整體策略以及營運及財務表現，並審閱及批准本集團之全年及中期業績以及其他須處理之特別事項。於本年度，各董事於董事會、薪酬委員會、審核委員會及提名委員會會議，以及股東大會之個別出席記錄載列如下：

Name of Directors 董事姓名	Number of meetings attended/held 出席／舉行會議之次數					
	Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會	General Meeting 股東大會	
<i>Executive Directors:</i> Mr. Yao Cho Fai Andrew (Chairman and Chief Executive Officer)	執行董事： 姚祖輝先生 (主席兼首席執行官)	4/4	1/1	—	1/1	1/1
Ms. Luk Pui Yin Grace	陸佩然女士	3/4	—	—	—	1/1
Mr. Lau Chi Chiu	劉子超先生	3/4	—	—	—	0/1
<i>Independent Non-executive Directors:</i> Mr. Tam King Ching Kenny	獨立非執行董事： 譚競正先生	4/4	1/1	2/2	1/1	1/1
Mr. Xu Lin Bao	徐林寶先生	3/4	1/1	2/2	1/1	1/1
Mr. Tse Lung Wa Teddy	謝龍華先生	4/4	1/1	2/2	—	1/1
Mr. Yeung Wing Sun Mike	楊榮燊先生	4/4	—	2/2	1/1	1/1
<b>Total Number of Meetings Held</b>	<b>舉行會議總數</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>

Board meetings for each year are scheduled in advance to give all Directors an opportunity to attend, and are structured to encourage open discussion. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes and resolutions of the Board are taken and kept by the Company Secretary and these minutes and resolutions, together with any supporting board papers, are open for inspection at any reasonable time on reasonable notice by any Director.

The Board members have access to appropriate business documents and information about the Group on a timely basis. The Directors are free to have access to the management for enquiries and to obtain further information when required. The Directors are encouraged to update their skills and knowledge, and familiarity with the Group through ongoing participation at Board and Board Committees meetings. All Directors also have access to external legal counsel and other professionals for independent advice at the Company's expense if they require it.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements. All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills.

The Directors are from time to time provided materials on amendments to or updates on the relevant laws, rules and regulations to ensure that their contribution to the Board remains informed and relevant. The Company has been encouraging the Directors and senior management to participate in a wide range of professional development courses and seminars relating to the Listing Rules, applicable regulatory requirements and corporate governance practices organized by professional bodies and/or independent auditors to further improve their relevant knowledge and skills.

All Directors have confirmed that they have participated in appropriate continuous professional development activities by attending seminar or conference relating to the Company's business or corporate governance and regulations or by reading materials relevant to their duties and responsibilities during the Year.

各年度董事會會議均預先安排，以讓全體董事均有機會出席，並鼓勵董事公開討論。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項以列入會議議程內。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提供意見。所有董事會會議記錄及決議案均由公司秘書記錄及保存，董事會成員給予合理通知，可於任何合理時間內隨時查閱該等會議記錄及決議案以及任何董事會文件。

董事會成員可於適當時候獲取有關本集團之恰當商業文件及資料。董事有需要時可隨時向管理層查詢，以取得更多資料。董事亦被鼓勵提升其技能及知識，並透過持續參與董事會及董事委員會會議，提升對本集團之認識。有需要時所有董事亦可尋求外聘法律顧問及其他專業顧問之獨立意見，開支由本公司支付。

### 董事之持續專業發展

獲委任加入董事會時，各董事均收到一份詳盡入職資料，涵蓋本公司政策及程序以及作為董事在一般、法定及監管規定上所須履行責任之資料，以確保其充分了解其於上市規則及其他相關監管規定下之責任。全體董事均須參與持續專業發展以發展及更新其知識及技能。

董事不時獲提供相關法律、規則及規例之修訂或最新版本之資料，以確保彼等持續對董事會作出知情及相關之貢獻。本公司一直鼓勵董事及高級管理人員參與由專業團體及／或獨立核數師舉辦之各類有關上市規則、適用監管規定及企業管治常規之專業發展課程及研討會，以進一步提升其相關知識及技能。

全體董事已確認於本年度內已透過出席有關公司業務或企業管治及規例之研討會或會議或閱覽有關其職責及責任之資料，參與適當持續專業發展活動。

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Participation of Directors in continuous professional development activities for the Year is set out below:

董事於本年度參與持續專業發展之活動載列如下：

Name of Directors 董事姓名	Reading journals, updates, articles and/or relevant materials 閱讀期刊、最新資訊、文章及／或相關資料	Attending workshops, seminars, conferences and/or forums 出席工作坊、研討會、會議及／或論壇
<i>Executive Directors:</i>	<i>執行董事：</i>	
Mr. Yao Cho Fai Andrew (Chairman and Chief Executive Officer)	姚祖輝先生 (主席兼首席執行官)	✓ ✓
Ms. Luk Pui Yin Grace	陸佩然女士	✓ ✓
Mr. Lau Chi Chiu	劉子超先生	✓ ✓
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>	
Mr. Tam King Ching Kenny	譚競正先生	✓ ✓
Mr. Xu Lin Bao	徐林寶先生	✓ —
Mr. Tse Lung Wa Teddy	謝龍華先生	✓ —
Mr. Yeung Wing Sun Mike	楊榮燊先生	✓ ✓

### BOARD DIVERSITY

The Board has adopted the Board Diversity Policy in July 2013. Under the Policy, the Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional and industry experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

At present, more than half of the Directors on the Board are Independent Non-executive Directors. The Board composition reflects various cultural and educational backgrounds, professional development, length of service, knowledge of the Company and a broad range of individual attributes, interests and values. The Board considers the current composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. The Board will continue to review its composition from time to time taking into consideration specific needs for the Group's business.

### 董事會成員多元化

董事會於二零一三年七月採納董事會多元化政策。根據該政策，本公司明白並深信董事會成員多元化對提升公司的表現素質裨益良多。甄選人選將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、專業及行業經驗、技能、知識以及服務年期。最終將按人選的長處及可為董事會提供的貢獻而作決定。

現時，董事會多於半數之董事為獨立非執行董事。董事會成員組合反映不同的文化及教育背景、專業發展、服務年期、對本公司的認識，以及廣泛的個人特質、興趣和價值觀。董事會認為目前的成員組合提供了切合本公司業務所需的均衡及多元化技能和經驗。董事會會繼續按本集團的業務需要不時檢討其成員組合。

### DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance coverage in respect of legal actions against the Directors and officers within the Group.

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

The Chairman of the Board and the Chief Executive Officer (i.e. the Chief Executive) is now Mr. Yao Cho Fai Andrew. CG Code provision A.2.1 stipulates that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The Board believes that the vesting of the roles of both Chairman and Chief Executive Officer in Mr. Yao will enable him to continue to provide the Group with strong leadership, efficiency usage of resources as well as allow for effective planning, formulation and implementation of the Company's business strategies which will enable the Group to sustain the development of its business efficiently. The day-to-day management and operation of the Group will continue to be the responsibility of the management team under the monitor of the Executive Committee and Mr. Yao's leadership.

### SPECIFIC TERMS OF NON-EXECUTIVE DIRECTORS

The Company's Non-executive Directors are appointed for a specific term. They (including all other Directors) are subject to retirement by rotation and re-election at the annual general meeting at least once every three years according to the Company's Bye-laws.

### BOARD COMMITTEES

The Board has established various committees, including the Executive Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, each of which has its specific written terms of reference. Minutes of all committee meetings and resolutions are taken and kept by the Company Secretary and, together with any committee papers, are available to all Board members. The committees are required to report to the Board on their decision and recommendations where appropriate.

#### Executive Committee

Executive Committee has been in place since March 2006 and now consists of all Executive Directors, being Mr. Yao Cho Fai Andrew as chairman, Ms. Luk Pui Yin Grace and Mr. Lau Chi Chiu as members.

When the Board is not in session, the Executive Committee discharges the specific power and administrative functions authorised by the Board. The Executive Committee is mainly responsible for monitoring the daily operations of the Group.

### 董事及高級人員之保險

本公司已就董事及本集團內之高級人員可能面對之法律行動而作出適當保險安排。

### 主席及行政總裁之角色

姚祖輝先生現為董事會主席及首席執行官(即行政總裁)。按企業管治守則條文A.2.1條規定,主席與行政總裁的角色應有區分,並不應由一人同時兼任。董事會相信賦予姚先生主席及首席執行官之職務會使其繼續為本集團帶來強勁之領導能力、提高資源運用效率並推展計劃、組織及實施本公司之業務策略,令本集團能夠有效地拓展其業務。於姚先生之領導及執行委員會之監督下,管理團隊會繼續負責本集團之日常管理及營運。

### 委任非執行董事之指定任期

本公司之非執行董事有指定委任任期。彼等(包括全部其他董事)需要按本公司之細則每三年於股東週年大會上至少輪值告退一次並可膺選連任。

### 董事委員會

董事會已成立多個委員會,包括執行委員會、薪酬委員會、審核委員會及提名委員會,各委員會均以書面具體列明其職權範圍。所有委員會會議記錄及決議案均由公司秘書記錄及保存,全體董事會成員可隨時查閱該等委員會會議記錄及決議案以及任何委員會文件。各委員會須向董事會匯報其決定及建議(倘適用)。

### 執行委員會

執行委員會自二零零六年三月成立,現時由所有執行董事組成,即姚祖輝先生為主席,陸佩然女士及劉子超先生為成員。

在董事會會期以外,執行委員會可執行董事會給予之特別權力及行政職能。執行委員會主要負責監督本集團之日常運作。

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The Company adopted a new terms of reference of the Executive Committee in March 2016 in order to conform with the provisions set out in the CG Code and it is responsible for performing the corporate governance duties as follows:

- (i) implementing and compliance with the laws, regulations, Listing Rules, Bye-laws and internal regulations applicable to the Company;
- (ii) providing a means for timely and accurate disclosure of information;
- (iii) ensuring effective communication with the Company's shareholders;
- (iv) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- (v) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (vi) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (vii) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (viii) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Year, the Executive Committee has carried out the duties on the corporate governance functions of the Company in accordance with its terms of reference.

### Remuneration Committee

The Remuneration Committee has been in place since July 2005 and as at the date of this report consists of four members, including Mr. Xu Lin Bao (chairman of the Remuneration Committee), Mr. Tam King Ching Kenny and Mr. Tse Lung Wa Teddy, all being Independent Nonexecutive Directors, and Mr. Yao Cho Fai Andrew, being an Executive Director. The Remuneration Committee's role is to make recommendation to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders.

本公司已於二零一六年三月採納了執行委員會之新職權範圍，以符合企業管治守則所載之條文。其負責履行之企業管治職能如下：

- (i) 執行及遵守適用於本公司之法律、規則、上市規則、公司細則及內部規則；
- (ii) 提供方法以及時和準確地披露資料；
- (iii) 確保與本公司股東有效之溝通；
- (iv) 制定及檢討本公司之企業管治政策及常規，並向董事會提出建議；
- (v) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (vi) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (vii) 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊(如有)；及
- (viii) 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

於本年度，執行委員會已根據職權範圍履行本公司企業管治職能之職責。

### 薪酬委員會

薪酬委員會自二零零五年七月成立，於本報告日期由四名成員組成，包括獨立非執行董事徐林寶先生(薪酬委員會主席)、譚競正先生及謝龍華先生以及執行董事姚祖輝先生。薪酬委員會之職責乃就董事及高級管理人員之薪酬政策及架構向董事會提供建議，確保對本集團整體表現有所貢獻之董事及高級管理人員均獲得公平回報，並考慮到股東之利益。

The Remuneration Committee has adopted the model where it has delegated responsibility to determine the remuneration packages of individual Executive Directors and senior management as well as reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives. The Remuneration Committee also makes recommendation to the Board on the remuneration of the Non-executive Directors. No Director or any of his/her associates may be involved in any decisions as to his/her own remuneration. The Company has adopted new terms of reference of the Remuneration Committee in March 2016 to conform with the provisions set out in the CG Code. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and Hong Kong Exchanges and Clearing Limited (the "HKEx").

During the Year, the Remuneration Committee has reviewed and determined the remuneration packages of the Executive Directors and made recommendations to the Board as to the remuneration policy and structure for senior management of the Company.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. One Remuneration Committee meeting was held during the Year and the attendance record of the Remuneration Committee meeting is stated in the table under "The Board" of this report.

### Audit Committee

The Audit Committee has been in place since December 1998 and as at the date of this report consists of four Independent Non-executive Directors, including Mr. Tam King Ching Kenny (chairman of the Audit Committee), Mr. Xu Lin Bao, Mr. Tse Lung Wa Teddy and Mr. Yeung Wing Sun Mike. Mr. Tam King Ching Kenny is an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules.

The Audit Committee meetings are held not less than twice a year to review and discuss the various audit issues as reported by the external auditor. It also reviews the interim and annual financial statements. Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues, which the members consider necessary.

Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal control, risk management and audit issues with a view to further improve the Company's corporate governance. The Company has adopted new terms of reference of the Audit Committee in March 2016 to conform with the provisions set out in the CG Code. The terms of reference of the Audit Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the HKEx.

薪酬委員會已採納其獲授責任以釐定個別執行董事及高級管理人員之薪酬待遇，以及根據董事會不時議決之公司目標及宗旨檢討及批准管理層之薪酬建議。薪酬委員會亦會就非執行董事之薪酬向董事會提出建議。概無董事或其任何聯繫人士可參與有關其本身薪酬之任何決定。本公司已於二零一六年三月採納了薪酬委員會之新職權範圍，以符合企業管治守則所載之條文。薪酬委員會之職權範圍訂明其授權、職責及責任，其已登載於本公司及香港交易及結算所有限公司（「港交所」）之網頁內。

於本年度，薪酬委員會已審閱及釐定執行董事之薪酬待遇，並就本公司高級管理人員的薪酬政策及架構向董事會提出建議。

根據其職權範圍，薪酬委員會每年須至少召開一次會議。於本年度已舉行一次薪酬委員會會議，而薪酬委員會會議之出席記錄已刊於本報告「董事會」一節內。

### 審核委員會

審核委員會自一九九八年十二月成立，於本報告日期由四名獨立非執行董事組成，包括譚競正先生（審核委員會主席）、徐林寶先生、謝龍華先生及楊榮樂先生。按上市規則第3.10條，譚競正先生為獨立非執行董事並具備適當之專業資格或會計或相關財務管理專長。

審核委員會每年舉行不少於兩次之會議以審閱及討論各項外聘核數師呈報之審核事項，並審閱中期及年度財務報表。委員亦可不時於認為有需要時舉行額外之審核委員會會議以討論特殊項目或其他事項。

董事會已制定及核准審核委員會之職權範圍，職權涉及若干內部監控、風險管理及審核事宜，目標為進一步改善本公司的企業管治。本公司已於二零一六年三月採納了審核委員會之新職權範圍，以符合企業管治守則所載之條文。審核委員會之職權範圍訂明其授權、職責及責任，其已登載於本公司及港交所之網頁內。



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During the Year, the Audit Committee reviewed the remuneration of the external auditor. There was no disagreement between the Board and the Audit Committee on the selection or appointment of the external auditor. The Audit Committee has reviewed the Company's interim and annual consolidated financial statements for the Year and was content that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Two Audit Committee meetings were held during the Year and the attendance record of the Audit Committee meetings is stated in the table under "The Board" of this report.

### Nomination Committee

The Nomination Committee has been in place since March 2012 and as at the date of this report consists of four members, includes the Executive Director, being Mr. Yao Cho Fai Andrew (chairman of Nomination Committee) and three Independent Non-executive Directors, being Mr. Xu Lin Bao, Mr. Tam King Ching Kenny and Mr. Yeung Wing Sun Mike. The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment or re-appointment of Directors and Board succession. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and accessing the independence of Independent Non-executive Directors. The Company has adopted new terms of reference of the Nomination Committee in March 2016 to conform with the provisions set out in the CG Code. The terms of reference of the Nomination Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the HKEx.

During the Year, the Nomination Committee has reviewed the diversity, structure, size and composition of the Board, appointment and re-appointment of Directors and made recommendations to the Board to complement the Company's corporate strategy.

The Nomination Committee shall meet at least once a year in accordance with its terms of reference. One Nomination Committee meeting was held during the Year and the attendance record of the Nomination Committee meeting is stated in the table under "The Board" of this report.

於本年度，審核委員會已審閱外聘核數師之酬金。董事會與審核委員會於外聘核數師之挑選或委任上並無任何爭議。審核委員會已審閱本公司之中期及年度綜合財務報表，認為有關報表乃符合適用之會計準則及法例規定，並作出足夠之披露。

根據其職權範圍，審核委員會每年須至少召開兩次會議。於本年度已舉行兩次審核委員會會議，而審核委員會會議之出席記錄已刊於本報告「董事會」一節內。

### 提名委員會

提名委員會已於二零一二年三月成立，於本報告日期由四名成員組成，包括執行董事姚祖輝先生(提名委員會主席)及三名獨立非執行董事徐林寶先生、譚競正先生及楊榮樂先生。提名委員會負責就董事之提名、委任或重新委任及董事會的繼任事宜制訂政策及向董事會作出建議。提名委員會之主要職責包括至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司策略而擬對董事會作出的變動提出建議及評核獨立非執行董事的獨立性。本公司已於二零一六年三月採納了提名委員會之新職權範圍，以符合企業管治守則所載之條文。提名委員會之職權範圍訂明其授權、職責及責任，其已登載於本公司及港交所之網頁內。

於本年度，提名委員會已就董事會的多元化、架構、人數及組成，以及董事之委任及重新委任的事宜作出檢討，並就此向董事會提出建議以配合本公司的企業策略。

根據其職權範圍，提名委員會每年須至少召開一次會議。於本年度已舉行一次提名委員會會議，而提名委員會會議之出席記錄已刊於本報告「董事會」一節內。

### CORPORATE GOVERNANCE FUNCTION

While the Board is and remains principally responsible for the corporate governance functions of the Company, it has delegated the relevant duties to the Executive Committee to ensure the proper performance of corporate governance functions of the Company. In this connection, the terms of reference of the Executive Committee includes various duties relating to corporate governance matters which are set out in paragraph “Executive Committee” of this report.

### INTERNAL CONTROLS AND RISK MANAGEMENT

The Board and the Audit Committee are responsible for developing and maintaining the system of internal controls of the Group to protect shareholders’ interest and to safeguard the Group’s assets by setting appropriate policies and reviewing the effectiveness of major control procedures for financial, operational, compliance and risk management areas. The Company has its internal audit function to help enhance the effectiveness of risk management, control and governance processes.

During the Year, the Company has engaged an independent professional firm to perform an internal control review of the Group. The Board and the Audit Committee have reviewed the effectiveness of the Group’s system of internal controls on all major operations, including financial, operational and compliance controls and risk management functions, and have considered the adequacy of resources, qualifications and experience of staff of the Group’s accounting and financial function, and their training programs and budget, by reviewing the internal audit reports prepared by the independent professional firm and management letters submitted by external auditor. Also, the Board and the Audit Committee met with the internal and external auditors and management to discuss findings from their works and recommendations.

The Company is aware of its continuing disclosure obligations as to inside information and has a policy with regard to the principles and procedures for handling and disseminating the Company’s inside information in compliance with the requirements under the Securities and Futures Ordinance and the Listing Rules.

The Executive Committee and the designated executives of the Company are responsible for assisting the Board in reviewing potential inside information and assessing the need for disclosure and to oversee the internal reporting system and procedures. The Company has taken reasonable precautions for preserving the confidentiality of the inside information, including inter alia:

- (i) access to inside information is restricted to specific persons on a need-to-know basis;
- (ii) enter into appropriate confidentiality agreements when negotiating on potential and significant transactions;

### 企業管治職能

本公司的企業管治職能現時主要由董事會負責，其授權相關責任予執行委員會以確保本公司之企業管治職能獲適切履行。就此，執行委員會之職權範圍包括各項與企業管治事宜有關的職責，該等職責載列於本報告「執行委員會」一節內。

### 內部監控及風險管理

董事會及審核委員會負責透過制定合適之政策及就主要監控程序，包括財務、運作和合規監控以及風險管理職能的效用作出檢討，以發展及維持本集團之內部監控系統，並保障股東之利益及本集團之資產。本公司設有內部審核功能，以助提高風險管理、監控及企業管治的有效性。

於本年度，本公司委聘的獨立專業公司為本集團提供內部審核服務。董事會及審核委員會亦已透過檢討審閱獨立專業公司準備之內部監控報告及外聘核數師所提交之審核情況說明函件，以對所有主要營運，包括財務、運作和合規監控以及風險管理職能之內部監控系統作出檢討，並已考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。此外，董事會及審核委員會已會見內部核數師及外聘核數師以及管理層以討論彼等從工作及分析所得之發現及建議。

本公司明白其應履行內幕消息的持續披露責任，並具有有關處理及發佈本公司內幕消息的原則及程序之政策，以遵守證券及期貨條例及上市規則的規定。

執行委員會及本公司之指定行政人員負責協助董事會審核潛在的內幕消息及評估公佈的需要及監察內部通報系統及程序。本公司已採取合理措施將內幕消息保密，其中包括：

- (i) 按有需要知情基準，將得知內幕消息限制於指定人士；
- (ii) 於談判潛在及重大交易前訂立適當的保密協議；

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- (iii) codify a strict prohibition on unauthorized use or disclosure of inside information in employee handbook; and
- (iv) circulate reminder, from time to time, to the Directors and specified relevant employees of the Group who are considered to be likely in possession of inside information their duties and obligations in respect of dealings in the securities of the Company.

The Company has set up a corporate practices committee in May 2013, chaired by Mr. Tse Lung Wa Teddy. The committee is responsible for risk assessment and management in preventing or reducing operational risk that might damage the Group's value. The committee chairman periodically reviews with the Chief Financial Officer and other members of the leadership team about the procurement policy, credit policy and other policies and reports to the Board of any finding, as appropriate. The Director of Financial Planning and Risk Analysis focuses on risk identification and ensures high priority issues are aggressively tackled and cost is effectively managed, thereby minimizing risks and allowing the Group's objectives to be achieved optimally.

The Board and the Audit Committee considered that the system of internal controls and risk management was operating effectively during the Year.

### AUDITOR'S REMUNERATION

During the Year, PricewaterhouseCoopers, the external auditor of the Company, provided the following services to the Group and their respective fees charges are set out below:

Types of services	服務種類	HK\$'000 千港元
Audit fee for the Group	本集團之審核費用	2,320
Taxation services	稅務服務	120
Total	總額	2,440

- (iii) 於僱員準則手冊內訂明嚴禁未經授權使用或披露內幕消息；及
- (iv) 不時發出通告以提醒董事及本集團特定之有關僱員(彼等被視為可能知悉內幕消息)於買賣本公司之證券時應有的職責及責任。

本公司已於二零一三年五月成立企業常規委員會，其由謝龍華先生擔任主席。該委員會負責風險評估及管理，以避免或降低可能損害本集團價值之營運風險。委員會主席與集團首席財務總監及領導層團隊其他成員定期檢討有關採購政策、信貸政策及其他政策，並於有需要時向董事會報告。財務規劃及風險管理總監專注於識別風險及確保高度優先事宜獲積極處理，並以具成本效益方式管理，從而盡量降低風險，讓本集團理想地達成目標。

董事會及審核委員會認為內部監控及風險管理之系統於本年度能夠有效地運作。

### 核數師酬金

於本年度，本公司之外聘核數師羅兵咸永道會計師事務所就向本集團提供下列服務分別收取之費用為：

### RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The Directors acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about its reporting responsibilities is set out in the independent auditor's report included in this annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

### INVESTOR RELATIONS AND COMMUNICATION

The Group is committed to promoting transparency and maintaining effective communication with shareholders, investors, analysts and the press. The Company has its shareholder's communication policy established to ensure effective and timely dissemination of information to shareholders and the investment community. The management from time to time meets with existing and potential investors to make corporate presentations. The Group also promotes communications with non-institutional shareholders through public announcements of key developments of the Company as prescribed under the Listing Rules, annual general meeting and other general meetings of the Company. Such general meetings are presided over and led by the Chairman, supported by other Directors. The Company's user-friendly website, <http://www.hkshalliance.com>, provides investors with the latest news, corporate profile, business information and financial information including announcements, circulars and annual and interim reports.

### COMPANY SECRETARY

The Company Secretary supports the Chairman, the Board and Board Committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary reports to the Board and assists the Board in functioning effectively and efficiently. The Company Secretary also advises the Board on governance matters and facilitates the induction and professional development of Directors. All Directors may call upon the Company Secretary for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board Committees.

Ms. Lam Yee Fan is the Company Secretary of the Company. She is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. Ms. Lam undertook no less than 15 hours of relevant professional training during the Year.

### 編製及呈報賬目之責任

董事明白彼等須負責根據法例規定及適用會計準則編製賬目。核數師就其呈報責任而發出之聲明載於本年報之獨立核數師報告內。

概無重大不明朗事件或情況可能會嚴重影響本公司持續經營之能力。

### 與投資者之關係與溝通

本集團致力提高透明度，並維持與股東、投資者、分析員及公眾傳媒之良好溝通。本公司已制定股東通訊政策以確保有效及適時向股東及投資人士傳達資訊。管理層不時與現有及潛在投資者作企業簡佈。本集團透過按照上市規則的規定刊發有關本公司主要發展的公告、舉行股東週年大會及其他股東大會，促進與非機構股東的溝通。該等股東大會由主席主持及帶領，並由其他董事從旁協助。本公司方便易用之網站(<http://www.hkshalliance.com>)為投資者提供最新消息、公司簡介、業務資料及財務資料包括公告、通函以及年報及中期報告。

### 公司秘書

公司秘書支援主席、董事會及董事委員會，確保董事會之間資訊流通無阻以及董事會政策及程序得以遵循。公司秘書向董事會報告，並協助董事會有效及具效率地運作。公司秘書亦就管治事宜向董事會提供意見，並協助安排董事之入職及專業發展。全體董事可隨時要求公司秘書提供有關其職責及致使董事會及董事委員會有效運作之意見及協助。

林伊芬女士為本公司之公司秘書。彼為本公司之全職僱員，對本公司事務有日常認識。林女士於本年度內接受不少於15小時之相關專業培訓。

### CONSTITUTIONAL DOCUMENTS

During the Year, there was no change in the Company's constitutional documents.

### SHAREHOLDERS' RIGHTS

The Board endeavours to maintain an on-going dialogue with shareholders. The Company encourages the shareholders to attend general meetings and the Chairmen of the Board and the Board Committees should attend annual general meeting (the "AGM") to answer questions.

#### (A) Convening a Special General Meeting by Shareholders

Pursuant to Bye-law 58 of the Company's Bye-laws and section 74 of the Companies Act 1981 (as amended) of Bermuda (the "Companies Act"), shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

A meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

### 憲章文件

於本年度內，本公司之憲章文件並無變動。

### 股東權利

董事會致力持續與股東維持溝通。本公司鼓勵股東參加股東大會，而董事會及董事委員會主席應出席股東週年大會（「股東週年大會」）以解答提問。

#### (A) 股東召開股東特別大會

根據本公司細則第58條及百慕達一九八一年公司法（經修訂）（「公司法」）第74條，於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向董事會或公司秘書發出書面要求，要求董事會召開本公司之股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘董事並無於遞交請求書日期起計二十一日內正式召開股東特別大會，則請求人或當中佔過半數總投票權之任何人士可自行召開股東特別大會，惟所召開之任何股東特別大會不得於遞交請求書日期起計三個月屆滿後舉行。

由遞呈要求人士所召開之大會須盡可能以董事將召開會議相同形式召開。任何因董事未有妥善召開股東特別大會而引致請求人所招致之合理費用，須由本公司償還給請求人。

### (B) Putting Forward Proposals at General Meetings

Sections 79 and 80 of the Companies Act allow certain shareholder(s) to make requisition to the Company to give notice to the shareholders in respect of any resolution which is intended to be moved at an AGM or circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company. Under section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of shareholders:

- (a) to give to the shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to the shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of shareholders necessary to make the abovementioned requisitions to the Company shall be:

- (a) either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than one hundred shareholders.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

### (B) 於股東大會提呈建議

公司法第79及80條允許若干股東請求本公司就擬於股東週年大會上動議之任何決議案向股東發出通告或就將於本公司股東大會上考慮之任何建議決議案或事項傳閱一份陳述書。根據公司法第79條，除非本公司另行議決，於有關數目股東發出書面請求時，本公司有責任(費用概由請求人承擔)：

- (a) 向有權收取下屆股東週年大會通告之股東發出通告，以告知可能於該大會上正式動議及擬動議之任何決議案；
- (b) 向有權收取任何股東大會通告之股東傳閱一份不超過一千字之陳述書，以告知該大會之任何建議決議案所述事宜或將處理之事項。

向本公司作出以上請求所需之股東數目為：

- (a) 佔請求當日持有不少於全體股東(其賦有於請求所涉股東大會上表決之權利)總投票權二十分之一之任何數目股東；或
- (b) 不少於一百名股東。

任何該等擬定決議案之通告及任何該等陳述書，應向有權收取會議通告之股東(以任何准許送達會議通告之方式，將該決議案或陳述書之副本，送達至該等股東)發出或傳閱；至於向任何其他股東發出任何該等決議案之通告，則須以准許用於向該等股東發出本公司會議通告之方式，向其發出具該等決議案大意之通告，但該副本之送達方式或該等決議案大意通告之發出方式(視乎情況而定)，須與會議通告發出之方式相同，而送達或發出之時間，亦須在切實可行情況下與會議通告發出之時間相同，如當時不能送達或發出，則須於隨後在切實可行情況下盡快送達或發出。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in the above unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:
  - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
  - (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures in the above (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

### (C) Making Enquiry

Shareholders should direct their enquiries about their shareholdings to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For other enquiries, shareholders may send written enquiries to the Company, for the attention of Company Secretary by mail to Rooms 1103- 05, 11th Floor, East Town Building, 41 Lockhart Road, Wanchai, Hong Kong.

The procedures for proposing a person for election as a Director are made available at the Company's website (<http://www.hkshalliance.com>).

On behalf of the Board  
**Yao Cho Fai Andrew**  
Chairman

Hong Kong, 22nd June 2018

公司法第80條載有在本公司有責任發出任何決議案通告或傳閱任何陳述書前必須符合之條件。根據公司法第80條，除非符合以下條件，否則本公司毋須如上文所述發出任何決議案通告或傳閱任何陳述書：

- (a) 向本公司註冊辦事處提交遞呈要求人士簽署之一份請求書副本，或載有所有遞呈要求人士簽署之兩份或以上副本：
  - (i) 對要求決議案通告之請求書而言，不少於會議前六週；及
  - (ii) 對任何其他請求書而言，不少於會議前一週；及
- (b) 已向本公司提交或提供合理足夠符合本公司履行上文所述(即發出決議案通告及/或傳閱陳述書)所需開支之款項。

惟如於要求決議案通告之請求書副本提交予本公司註冊辦事處後，已於提交副本後六週或以內期間召開股東週年大會，則即使該副本未於上述期限內提交，亦應視為已就有關目的妥為提交。

### (C) 提出查詢

股東可就其所持股權向本公司股份過戶登記處香港分處，即香港中央證券登記有限公司查詢，地址為香港灣仔皇后大道東183號合和中心17M樓。就其他查詢而言，股東可以書面形式郵寄函件致本公司之公司秘書，地址為香港灣仔駱克道41號東城大廈11樓1103-05室查詢。

提呈一名董事人選之程序刊載於本公司網站(<http://www.hkshalliance.com>)。

代表董事會  
主席  
姚祖輝

香港，二零一八年六月二十二日