

Corporate Governance Report 企業管治報告

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 December 2018, with the exception for the following deviations:

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors; however, they are subject to retirement by rotation in accordance with the articles of association of the Company ("Articles") and the Code. Accordingly, the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the Code.

Under code provision D.1.4, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. Except for Mr. CHEUNG Sing Tai, the Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

遵守企業管治常規守則

本公司之企業管治常規乃基於GEM上市規則附錄十五之企業管治常規守則(「守則」)所載原則及守則條文。本公司所採納之原則著重高質素之董事會及對股東之透明度及問責性。董事會認為，截至二零一八年十二月三十一日止年度，本公司一直遵守守則，惟以下背離除外：

根據守則條文第A.4.1條，非執行董事須按特定任期委任。非執行董事並無特定委任年期；然而，根據本公司組織章程細則(「細則」)及守則，彼等均須輪值退任。因此，本公司認為已採取足夠措施，處理守則項下有關非執行董事之委任年期之規定。

根據守則條文第D.1.4條，本公司須為董事提供正式委任書並列明委任之主要條款及條件。除張聲泰先生之外，本公司未有為董事提供正式委任書。然而，董事須根據細則輪值告退。此外，董事均需參考由公司註冊處發出之「董事責任指引」及由香港董事學會發出之「董事指南」及「獨立非執行董事指南」(倘適用)中列明之指引履行其作為董事之職責及責任。此外，董事須遵守法規及普通法之規定、GEM上市規則、法律及其他監管規定及本公司業務及管治政策。

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2018.

BOARD OF DIRECTORS

The Directors acknowledge their responsibilities for the preparation of accounts, which shall give a true and fair view of the financial position of the Group and of the financial performance and cash flows of the Group for that year. Details of the basis of preparation of financial statements are set out in note 3 to the consolidated financial statements. The Board is also responsible for formulating the Group's long term strategy, determining and approving the Group's significant transactions and supervising the management to ensure thorough implementation of the Group's policies and effective performance of their duties. Other decisions are to be delegated to management. As at 31 December 2018, the Board comprised eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. The executive Directors are Mr. CHEUNG Sing Tai, Mr. XU Gang, Mr. TAO Wei and Mr. ZHANG Bo. The non-executive Director is Dr. LIE Haiquan. The independent non-executive Directors are Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong. Biographies of the existing Directors are set out on pages 16 to 19.

有關董事進行證券交易之行為 守則

本公司已採納有關董事進行證券交易之行為守則，其條款與GEM上市規則第5.48條至第5.67條所載之交易必守標準同樣嚴格。本公司亦已向全體董事作出特定查詢，而據本公司所知，截至二零一八年十二月三十一日止年度並無出現未能符合交易必守標準及其有關董事進行證券交易之行為守則之情況。

董事會

董事深明其職責乃編製真實兼公平反映本集團於該年財務狀況及本集團財務表現及現金流量之賬目。財務報表編製基準之詳情載於綜合財務報表附註3。董事會亦負責制定本集團之長遠策略、決定及批准本集團之重大交易及監控管理層，以確保彼等妥善推行本集團之政策及有效履行其職務。其他決策則授權予管理層處理。於二零一八年十二月三十一日，董事會由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事。執行董事為張聲泰先生、徐崗先生、陶煒先生及張波先生。非執行董事為列海權博士。獨立非執行董事為張子華* (ZHANG Zihua) 先生、奚麗娜女士及黃志雄先生。現任董事之履歷載於第16至第19頁。

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BOARD OF DIRECTORS (Continued)

Throughout the year ended 31 December 2018, 8 Board meetings were held. Details of the attendance of the Directors are as follows:

董事會 (續)

於截至二零一八年十二月三十一日止年度內召開了8次董事會會議。董事出席詳情如下：

Name of the Directors 董事姓名		Directors' Attendance 董事出席率
Executive Directors 執行董事		
Mr. CHEUNG Sing Tai	張聲泰先生	8/8
Mr. ZHANG Xinyu (resigned on 31 August 2018)	張新宇先生 (於二零一八年八月三十一日辭任)	5/5
Mr. XU Gang	徐崗先生	6/8
Mr. TAO Wei	陶煒先生	7/8
Mr. ZHANG Bo	張波先生	7/8
Non-executive Director 非執行董事		
Dr. LIE Haiquan	列海權博士	6/8
Independent Non-executive Directors 獨立非執行董事		
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	8/8
Ms. XI Lina	奚麗娜女士	8/8
Mr. HUANG Zhixiong	黃志雄先生	8/8

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors of the Company; however, they are subject to retirement by rotation in accordance with the Articles. Accordingly the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the code provision.

根據守則條文第A.4.1條，非執行董事應按特定任期委任。本公司之非執行董事並無特定委任年期；然而，彼等均須根據細則輪值退任。據此，本公司認為已採取充足措施，處理守則條文有關非執行董事之委任年期之規定。

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines. The Board held a board meeting for each quarter to discuss and approve the Group's results. The then board members attended the meetings.

每名獨立非執行董事已根據GEM上市規則第5.09條就其獨立性作出年度確認。本公司認為，全體獨立非執行董事均符合GEM上市規則第5.09條所載之獨立性指引，並符合指引條款所規定之獨立性。董事會於每季度舉行一次董事會會議以討論及批准本集團之業績。當時之董事會成員已出席會議。

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DIRECTORS' TRAINING

According to the code provision A.6.5 of the Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2018 to the Company. The Company has also continuously updated Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

The individual training record of each Director received for the year ended 31 December 2018 is summarized below:

董事之培訓

根據守則之守則條文第A.6.5條，全體董事均須參加持續專業發展，發展及更新其知識及技能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。

所有董事均有參加持續專業發展，並向本公司提供彼等於截至二零一八年十二月三十一日止財政年度所接受培訓之記錄。本公司亦不斷向董事提供有關GEM上市規則及其他適用監管規定最新發展之資料，確保彼等遵守及更清楚了解良好企業管治常規。

截至二零一八年十二月三十一日止年度，各董事的個人培訓記錄概述如下：

Name of Directors	董事姓名	Attending or participating in seminars/workshops reading materials relevant to roles, functions, and duties of a listed company director 出席或參加研討會／研習會閱讀有關上市公司董事角色、職能及職責的材料
Executive Directors	執行董事	
Mr. CHEUNG Sing Tai	張聲泰先生	✓
Mr. XU Gang	徐崗先生	✓
Mr. TAO Wei	陶煒先生	✓
Mr. ZHANG Bo	張波先生	✓
Non-executive Director	非執行董事	
Dr. LIE Haiquan	列海權博士	✓
Independent Non-executive Directors	獨立非執行董事	
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	✓
Ms. XI Lina	奚麗娜女士	✓
Mr. HUANG Zhixiong	黃志雄先生	✓

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GENERAL MEETING

During the year ended 31 December 2018, 1 general meeting, being the 2018 annual general meeting of the Company (“2018 AGM”) was held on 29 May 2018.

股東大會

於截至二零一八年十二月三十一日止年度，本公司曾舉行1次股東大會，即於二零一八年五月二十九日舉行之二零一八年股東週年大會（「二零一八年股東週年大會」）。

Name of the Directors 董事姓名		Directors’ Attendance 董事出席率
Executive Directors	執行董事	
Mr. CHEUNG Sing Tai	張聲泰先生	1/1
Mr. ZHANG Xinyu (resigned on 31 August 2018)	張新宇先生 (於二零一八年八月三十一日辭任)	1/1
Mr. XU Gang	徐崗先生	1/1
Mr. TAO Wei	陶煒先生	1/1
Mr. ZHANG Bo	張波先生	1/1
Non-executive Director	非執行董事	
Dr. LIE Haiquan	列海權博士	0/1
Independent Non-executive Directors	獨立非執行董事	
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	1/1
Ms. XI Lina	奚麗娜女士	1/1
Mr. HUANG Zhixiong	黃志雄先生	1/1

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The executive Directors and the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the 2018 AGM to answer questions and collect views of shareholders.

董事會負責與股東保持持續對話，特別是利用股東週年大會或其他股東大會與股東溝通及鼓勵股東參與。執行董事及審核委員會、薪酬委員會及提名委員會主席均有出席二零一八年股東週年大會，以解答股東提問及收集股東意見。

BOARD COMMITTEES

To assist the Board in discharging of its duties, the Board is supported by three board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee.

1. AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are (a) to review the Group's annual reports, interim reports and quarterly reports; (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong. The chairman of the Audit Committee is Mr. ZHANG Zihua, who possesses extensive experience in finance and accounting.

The Audit Committee held 6 meetings during the year to review the Group's audited annual results for the year ended 31 December 2017 and the unaudited quarterly and interim results for the year ended 31 December 2018, which is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made. The Audit Committee also reviewed the internal control systems of the Company and considered the engagement of professionals in relation to the internal control and environmental, social and governance reporting requirements under the GEM Listing Rules.

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董事委員會

為協助董事會履行職務，董事會獲三個董事委員會支援。每個委員會有其已界定之職責範圍及職權範圍，且委員會成員有權就每個委員會職權範圍以內之事宜作出決策。

1. 審核委員會

本公司已成立審核委員會，其書面職權範圍符合GEM上市規則第5.28至第5.33條。審核委員會之主要職責乃(a)審閱本集團之年度、中期及季度報告；(b)與本公司核數師商討及檢討核數之範疇及結果；及(c)監督本集團之財務申報程序、風險管理及內部監控系統。

審核委員會現由三名獨立非執行董事張子華*(ZHANG Zihua)先生、奚麗娜女士及黃志雄先生組成。審核委員會之主席為張子華*(ZHANG Zihua)先生，其擁有豐富的財務及會計經驗。

年內，審核委員會共舉行6次會議以審閱本集團截至二零一七年十二月三十一日止年度之經審核年度業績及截至二零一八年十二月三十一日止年度之未經審核季度及中期業績。審核委員會認為有關業績已根據適用會計準則及規定而編製，並已作出充分披露。審核委員會亦已審閱本公司之內部監控系統並考慮就GEM上市規則項下之內部監控以及環境、社會及管治報告規定委聘專業人士。

* 僅供識別

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BOARD COMMITTEES (Continued)

1. AUDIT COMMITTEE (Continued)

Details of the members' attendance of the Audit Committee meetings are as follows:

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	6/6
Ms. XI Lina	奚麗娜女士	6/6
Mr. Huang Zhixiong	黃志雄先生	6/6

2. REMUNERATION COMMITTEE

The Company has established the Remuneration Committee according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary duties are (a) to make recommendation to the Board on the Company's policy and structure for all remuneration of Directors and senior management; (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (c) to determine the remuneration packages on individual executive Directors and senior management.

The Remuneration Committee consists of one executive Director and two independent non-executive Directors, namely Mr. ZHANG Zihua (as chairman), Mr. CHEUNG Sing Tai and Ms. XI Lina as members.

董事委員會 (續)

1. 審核委員會 (續)

審核委員會會議的成員出席詳情如下：

2. 薪酬委員會

本公司已按照GEM上市規則之有關規定成立具有書面職權範圍之薪酬委員會。其主要職責乃(a)就本公司全體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；(b)就董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；及(c)釐定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會由一名執行董事及兩名獨立非執行董事組成，即主席張子華* (ZHANG Zihua) 先生、成員張聲泰先生及奚麗娜女士。

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BOARD COMMITTEES (Continued)

2. REMUNERATION COMMITTEE (Continued)

During the year under review, the Remuneration Committee held 3 meetings to (1) review the remuneration packages of the Directors and senior management, and (2) approve the share options granted to the Directors.

Details of the members' attendance of the Remuneration Committee meetings are as follows:

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. CHEUNG Sing Tai	張聲泰先生	3/3
Ms. XI Lina	奚麗娜女士	3/3
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	3/3

The executive Directors are considered to be senior management of the Company. The emoluments payable to them are determined by the Remuneration Committee based on their qualifications, experience and the prevailing market conditions. Details of the remuneration of the Directors are set out in note 14 to the consolidated financial statements.

3. NOMINATION COMMITTEE

The Company has established a Nomination Committee on 28 March 2013 with written terms of reference in accordance with requirements of the Exchange. The Nomination Committee shall comprise at least three members with a majority of independent non-executive Directors, and the Chairman of the Board or an independent non-executive Director should take up the role of chairman of the Nomination Committee. The Nomination Committee currently consists of one executive Director, Mr. CHEUNG Sing Tai, and two independent non-executive Directors, namely, Mr. ZHANG Zihua (as chairman) and Ms. XI Lina. The terms of reference of the Nomination Committee is currently made available on the websites of the Exchange and the Company.

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董事委員會 (續)

2. 薪酬委員會 (續)

於回顧年度內，薪酬委員會已舉行3次會議以(1)檢討董事及高級管理層薪酬待遇，及(2)批准向董事授出之購股權。

薪酬委員會會議的成員出席詳情如下：

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. CHEUNG Sing Tai	張聲泰先生	3/3
Ms. XI Lina	奚麗娜女士	3/3
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	3/3

執行董事被認為是本公司的高級管理層。應付彼等之酬金由薪酬委員會基於彼等之資質、經驗及現行市況後釐定。董事酬金的詳情載於綜合財務報表附註14。

3. 提名委員會

本公司於二零一三年三月二十八日根據聯交所之規定成立具有書面職權範圍的提名委員會。提名委員會須由最少三名成員組成，而當中大多數為獨立非執行董事，並由董事會主席或一名獨立非執行董事任提名委員會主席。提名委員會目前包括一名執行董事張聲泰先生及兩名獨立非執行董事張子華*(ZHANG Zihua)先生(擔任主席)及奚麗娜女士。提名委員會之職權範圍現已刊載於聯交所及本公司網頁。

* 僅供識別

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BOARD COMMITTEES (Continued)

3. NOMINATION COMMITTEE (Continued)

Terms of reference adopted by the Nomination Committee are aligned with the code provisions set out in the Code.

The functions of the Nomination Committee are to review and monitor the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement of the Group's strategy; to identify qualified individuals to become members of the Board; to assess the independence of independent non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive.

The Board adopted on 30 August 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee and the Board had also reviewed on 27 March 2018 the structure of the Board and is of the opinion the Board consisted of members with different gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, which met the requirements under the terms of the Board Diversity Policy.

During the year under review, the Nomination Committee held 1 meeting to (1) review the Board composition, (2) review the independence of the independent non-executive Directors and (3) consider the re-election of retiring Directors.

Details of the members' attendance of the Nomination Committee meeting are as follows:

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. CHEUNG Sing Tai	張聲泰先生	1/1
Ms. XI Lina	奚麗娜女士	1/1
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	1/1

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董事委員會 (續)

3. 提名委員會 (續)

提名委員會採納之職權範圍符合守則所載守則條文之規定。

提名委員會之職能為檢討及監督董事會之架構、規模及組成、向董事會提出任何更改建議以配合本集團策略、物色合資格人選出任董事會成員；評估獨立非執行董事之獨立性；及就委任或重新委任董事及董事（特別是主席及行政總裁）的繼任計劃向董事會提供建議。

董事會於二零一三年八月三十日採納董事會多元化政策（「董事會多元化政策」）並將政策項下的若干職責委託給提名委員會。提名委員會及董事會亦於二零一八年三月二十七日檢討董事會之架構，並認為董事會由不同性別、年齡、文化及教育背景、種族、專業經驗、技能及知識之成員組成，已符合董事會多元化政策條文之規定。

於回顧年度內，提名委員會已舉行1次會議以(1)檢討董事會之組成，(2)檢討獨立非執行董事之獨立性及(3)考慮退任董事之重選連任。

提名委員會會議的成員出席詳情如下：

* 僅供識別

DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The Group incurred a net loss of approximately HK\$126,995,000 (2017: net profit of approximately HK\$53,060,000) for the year ended 31 December 2018. As at 31 December 2018, the Group's current liabilities exceeded its current assets by approximately HK\$443,746,000 (2017: net current assets of approximately HK\$522,084,000). In the opinion of the Directors, the Group is able to maintain itself as a going concern in the coming year by taking into consideration that:

- (i) the cash flow projections can be achieved that the Group would have sufficient working capital to finance its operation and to meet its financial obligations when they fall due within the next twelve months from the end of the reporting period;
- (ii) the net assets of the Group of approximately HK\$1,325,614,000, the Group should be able to secure additional loan facilities, if necessary;
- (iii) bank loans with carrying amount of approximately HK\$281,413,000 as at 31 December 2018 that are repayable more than one year after the end of the reporting period pursuant to the repayment schedule included in the loan agreements, with a repayment on demand clause, has been classified as current liability as at 31 December 2018 in accordance with Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause. Taking into account the Group's financial position and the security provided to the bank, the Directors believe that the bank will not exercise its discretionary rights to demand immediate repayment. The Directors believe that the bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements; and

董事有關編製財務報表之責任

董事知悉其負責編製本集團之財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編製。董事亦確保本集團財務報表獲適時公告。

於截至二零一八年十二月三十一日止年度，本集團產生虧損淨額約126,995,000港元（二零一七年：溢利淨額約53,060,000港元）。於二零一八年十二月三十一日，本集團之流動負債超逾其流動資產約443,746,000港元（二零一七年：流動資產淨值約522,084,000港元）。董事認為，經考慮以下各項後，本集團來年能夠維持持續經營：

- (i) 可達致現金流量預測，令本集團將有充足營運資金為其營運撥資並履行其於報告期末後未來十二個月內到期的財務責任；
- (ii) 本集團資產淨值約1,325,614,000港元，本集團可取得額外貸款融資（如需要）；
- (iii) 根據貸款協議（附帶按要求償還條款）所載之還款日期，於二零一八年十二月三十一日賬面值約281,413,000港元之銀行貸款須於報告期末後一年後還款，其已根據香港詮釋第5號財務報表呈報一借款人對載有按要求償還條款之有期貸款之分類於二零一八年十二月三十一日分類為流動負債。經考慮本集團的財務狀況及向銀行提供之抵押後，董事相信銀行不會即時行使權利要求即時還款。董事相信此銀行貸款可根據貸款協議的還款日期還款；及

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DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS (Continued)

(iv) bank loans with carrying amount of approximately HK\$223,244,000 as at 31 December 2018 that is repayable within one year after the end of the reporting period, will be refinanced with China Construction Bank Corporation (“CCB”) upon maturity since the Group has a 10-year unutilised banking facilities of approximately HK\$1,169,753,000 granted by CCB as at 31 December 2018.

Save as disclosed above, the Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions were performed by the Board.

The corporate governance functions are to develop and review the Company's policies and practices on corporate governance to comply with the Code and other legal or regulatory requirements, to oversee the Company's orientation program for new Director, to review and monitor the training and continuous professional development of Directors and senior management, to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors, and to review the Company's disclosure in the Corporate Governance Report.

During the financial year ended 31 December 2018, the Board held 1 meeting for reviewing the training and continuous professional development of the Directors and the Company's compliance with the Code for the year ended 31 December 2017 and disclosure in the Corporate Governance Report.

董事有關編製財務報表之責任 (續)

(iv) 由於本集團於二零一八年十二月三十一日獲中國建設銀行股份有限公司(「中國建設銀行」)授予十年期尚未動用銀行融資約1,169,753,000港元，於二零一八年十二月三十一日賬面值約223,244,000港元之銀行貸款須於報告期末後一年內償還，並於到期後向中國建設銀行再融資。

除上文所披露者外，董事確認，經作出一切合理查詢後，就彼等所深知、全悉及確信，彼等並不知悉任何可能會對本公司持續經營能力造成重大疑慮之事件或情況之不確定因素。

企業管治職能

企業管治職能由董事會執行。

企業管治職能為制訂及檢討本公司企業管治政策及常規，以符合守則及其他法律或監管規定以監督本公司之新董事入職指引計劃、檢討及監督董事及高級管理人員之培訓及持續專業發展、制訂、檢討及監督僱員及董事適用之行為守則及遵例守則(如有)、以及檢討本公司企業管治報告中之披露資料。

截至二零一八年十二月三十一日止財政年度，董事會曾舉行1次會議，以審閱董事之培訓及持續專業發展，以及本公司於截至二零一七年十二月三十一日止年度遵守守則之情況及於企業管治報告中之披露。

AUDITOR'S REMUNERATION

The responsibility statement of external auditor of the Company, HLB, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 72 to 80. During the year, auditor's remuneration for audit services was HK\$1,080,000 and non-audit services for review of financial statements for the six months ended 30 June 2018 was HK\$150,000. Save as disclosed above, there was no other significant non-audit services assignment undertaken by the external auditor during the year.

COMPANY SECRETARY

Mr. YUEN Poi Lam William ("Mr. Yuen"), the representative of Proficient Skill Limited, was appointed as the named Company Secretary of the Company. His primary corporate contact person at the Company is Mr. CHEUNG Sing Tai, the chief executive officer of the Company.

In compliance with Rule 5.15 of the GEM Listing Rules, Mr. Yuen has taken no less than 15 hours of relevant professional training during the year ended 31 December 2018.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communications between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and The Companies Law (2013 Revision) of the Cayman Islands. The procedures shareholders can use to convene an extraordinary general meeting are set out in the document entitled "Procedures for a Shareholder to Propose a Person for Election as a Director", which is currently available on the Company's website.

核數師酬金

本公司外聘核數師國衛就其對本集團財務報表之申報責任作出之責任聲明，載於第72至80頁的獨立核數師報告。年內，核數師就審核服務所收取之酬金為1,080,000港元及就審閱截至二零一八年六月三十日止六個月之財務報表之非審核服務所收取之酬金為150,000港元。除上文所披露者外，年內外聘核數師並無提供其他重大非審核服務。

公司秘書

袁沛林先生（「袁先生」），Proficient Skill Limited之代表，獲委任為本公司之冠名公司秘書。彼於本公司的主要公司聯絡人為本公司行政總裁張聲泰先生。

根據GEM上市規則第5.15條之規定，袁先生已於截至二零一八年十二月三十一日止年度參與不少於十五小時之相關專業培訓。

股東權利

本公司股東大會提供股東與董事會溝通之平台。本公司每年均於董事會決定之地點舉行股東週年大會。除股東週年大會外，每次股東大會均為股東特別大會。

股東召開股東特別大會

股東可根據細則及開曼群島公司法（二零一三年修訂本）所載之條文召開本公司之股東特別大會。股東可用以召開股東特別大會之程序載於標題為「股東提名人選參選董事之程序」之文件內。該文件現載於本公司網站。

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SHAREHOLDERS' RIGHTS (Continued)

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

To ensure effective communications between the Board and the shareholders and the investment community at large, the Company's information is communicated to the shareholders and the investment community mainly through the Company's financial reports (quarterly reports, interim reports and annual reports), and its corporate communications and other corporate publications on the Company's website and the Exchange's website. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's principal place of business in Hong Kong.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members holding not less than one-twentieth (5%) of the paid-up capital of the Company as at the date of the requisition carrying the right of voting at general meetings of the Company; or
- (b) not less than one hundred members.

股東權利(續)

股東向董事會查詢

為確保董事會與股東及整體投資社群有效溝通，本公司之資料主要透過本公司財務報告(季度報告、中期報告及年度報告)及公司通訊及發佈於本公司及聯交所網站上的其他公司刊物傳遞予股東及投資社群。股東及投資社群可隨時要求索閱本公司可予公開之資料。任何該等疑問應首先呈遞予公司秘書，地點為本公司香港主要營業地點。

股東於股東大會上提呈議案之程序

於股東大會上請求提呈議案所需股東人數應為：

- (a) 於請求書日期持有附帶權利可於本公司股東大會投票之本公司繳足股本不少於二十分之一(5%)之任何股東人數；或
- (b) 不少於一百名股東。

SHAREHOLDERS' RIGHTS (Continued)

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING (Continued)

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:-

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2018.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of good communications with all shareholders. The Company's general meeting is a valuation forum for the Board to communicate directly with the shareholders. The Chairman of the Board as well as the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee together with the external auditor are present to answer shareholders' questions. The annual report together with annual general meeting circular is distributed to all the shareholders at least 20 clear business days before the annual general meeting.

股東權利(續)

股東於股東大會上提呈議案之程序(續)

於下列時間，向本公司香港主要營業地點呈遞由所有請求人簽署之請求書副本或多份副本，並應繳交足以滿足本公司發佈有關建議決議案之通告或傳送任何必要聲明所需費用之合理款項：—

- (i) 倘屬要求發出議案通告之請求書，則須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，則須於有關會議舉行前不少於一個星期。

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將着手進行必要程序。

憲章文件

截至二零一八年十二月三十一日止年度，本公司的憲章文件並無變動。

與股東及投資者的溝通

董事會認同與所有股東有良好的溝通至為重要。本公司的股東大會提供寶貴場合可令董事會直接與股東溝通。董事會主席以及審核委員會、提名委員會及薪酬委員會各自的主席，連同外聘核數師均會出席以解答股東提問。年報連同有關股東週年大會的通函於股東週年大會舉行前最少二十個工作日寄發予所有股東。

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VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The management of the Group updates and reports the key risk areas, including any remedial plans, if deemed necessary or appropriate, to the Audit Committee for consideration. The identified key risk areas and the appropriate risk mitigation strategies were reviewed and commented by the Board at its meeting annually.

The Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2018, 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. In this respect, the Audit Committee communicates any material issues to the Board.

During the year ended 31 December 2018, the Group appointed Corporate Governance Professionals Limited ("CGPL") to independently perform internal control review and assess the effectiveness of the Group's risk management and internal control systems.

以投票方式表決

根據GEM上市規則第17.47(4)條之規定，除主席以誠實信用之原則做出決定，容許純粹有關程序或行政事宜之決議案以舉手方式表決外，股東在股東大會上所作之任何表決必須以投票方式進行。

風險管理及內部監控

董事會知悉其有責任按持續經營基準監控本集團風險管理及內部監控系統並審閱其成效。該等系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大失實陳述或虧損作出合理而非絕對的保證。

本集團高級管理層會在其認為必要或適當時更新及報告主要風險範圍（包括任何補救計劃），以供審核委員會考慮。董事會已於其年度會議上檢討已確定主要風險範圍及適當的風險減緩策略並就此提出意見。

截至二零一八年十二月三十一日止年度，董事會透過審核委員會檢討本集團風險管理及內部監控系統的設計及實施成效，涵蓋所有重大控制，包括財務、經營及合規控制，旨在確保本集團在會計、內部審核及財務匯報職能方面具充足之資源、員工資歷及經驗、培訓計劃及有關預算。就此而言，審核委員會就任何重大事宜與董事會溝通。

截至二零一八年十二月三十一日止年度，本集團委任企業管治專才有限公司（「企業管治專才」）獨立進行內部監控審閱並評估本集團的風險管理及內部監控系統的有效性。

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by CGPL to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of CGPL as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company has established its enterprise risk management framework in 2016. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks facing by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

風險管理及內部監控(續)

獨立審閱及評估結果乃呈報予審核委員會及董事會。此外，企業管治專才所建議為提高本集團風險管理及內部監控系統及減低本集團風險的內部監控及風險管理措施的改進工作已獲董事會採納。根據企業管治專才的調查結果及建議以及審核委員會的意見，董事會認為內部監控及風險管理系統具有成效性及屬充足。

企業風險管理框架

本公司已於二零一六年建立其企業風險管理框架。董事會的整體職責是確保維持良好和有效之內部監控，而管理層負責設計及實施內部監控系統以管理本集團所面臨的各種風險。

透過風險識別及評估程序，各項風險已作識別、評估、排序及落實相應措施。我們的風險管理框架遵循COSO企業風險管理—整合框架，令致董事會及管理層能夠有效管理本集團的風險。董事會透過審核委員會定期收取報告，監督風險管理及內部審核職能。

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RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

OUR RISK CONTROL MECHANISM

The Group adopts a “three lines of defence” corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance and compliance team and independent internal audit outsourced to and conducted by CGPL. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management’s action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Company will continue to engage external independent professionals to review the Group’s system of internal controls and risk management annually and further enhance the Group’s internal control and risk management systems as appropriate.

風險管理及內部監控(續)

風險監控機制

本集團採納「三道防線」企業管治架構，由營運管理層進行營運管理及監控，加上財務及合規團隊開展風險管理監控，並由企業管治專才獲分包及進行獨立內部審核。本集團設立風險登記冊以記錄本集團所有已識別主要風險。風險登記冊為董事會、審核委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每種風險乃根據其發生的可能性及對本集團的潛在影響至少每年進行評估。風險登記冊由管理層作為風險擁有人於進行年度風險評估後至少每年更新額外新風險及／或去除現有風險（倘適用）。此檢討程序可確保本集團主動管理其所面臨的風險，所有風險擁有人可查閱風險登記冊並知悉及警覺於彼等責任領域內的該等風險，以使彼等可採取有效跟進行動。

我們的風險管理舉措由管理層持續進行。風險管理框架的成效將至少每年予以評估，並舉行定期管理層會議以更新風險監控工作進度。管理層致力於確保風險管理為日常業務營運程序的一部份，以高效協調風險管理與企業目標一致。

本公司會繼續每年聘請外聘獨立專業人士對本集團內部監控及風險管理系統進行檢討，並於適當時進一步加強本集團的內部監控及風險管理系統。

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

OUR RISK CONTROL MECHANISM (Continued)

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to the “Guidelines on Disclosure of Inside Information” published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

風險管理及內部監控(續)

風險監控機制(續)

現時本集團並無內部審核部門。董事已檢討內部審核部門之需要，彼等認為以本集團業務之規模、性質及結構而言，在需要時聘用外聘獨立專業人士為本集團進行內部審核工作，更具成本效益。然而，董事將會繼續最少每年檢討一次是否需要內部審核部門。

內幕資料的處理及發佈

本集團根據證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」規管內幕資料的處理及發佈，以確保內幕資料於獲適當批准予以披露之前維持保密及有關資料以有效及一致的方式發佈。本公司定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。此外，本公司讓董事、高級管理人員及僱員掌握最新的監管規定變動。本公司將編製或更新合適指引或政策以確保遵守監管規定。