

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

PYI Corporation Limited (“PYI” or the “Company”, together with its subsidiaries, the “Group”) strives to attain and uphold high standard of corporate governance and maintain well-established corporate governance practices for the benefit of shareholders of PYI and other stakeholders.

In the corporate governance report published in PYI’s 2018 annual report which can be viewed on PYI’s website (www.pyicorp.com), we reported that, save for the deviation disclosed therein, PYI has applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31 March 2018.

Throughout the year ended 31 March 2019, PYI continued to comply with the code provisions as set out in the CG Code except for the following deviation:

Code Provision A.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer (“CEO”) should be separated and performed by different individuals. Following the retirement of Dr Chow Ming Kuen, Joseph on 16 September 2011, Mr Lau Tom Ko Yuen, the Managing Director (equivalent to CEO) of PYI, has been appointed as chairman of PYI (“Chairman”) and has performed the roles of Chairman and CEO with effect from 26 September 2011.

The board of directors of PYI (the “Board” or the “Board of Directors”) believes that it is appropriate and in the interests of PYI for Mr Lau Tom Ko Yuen to take up both roles at the present stage as it helps to ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with not less than half the number thereof being independent non-executive directors.

In addition, to demonstrate PYI’s continued commitment to high standards of corporate governance, the Board adopted a Board Diversity Policy, a summary of which is set out at page 50 of this report, in June 2013.

企業管治守則

保華集團有限公司(「保華」或「本公司」，連同其附屬公司稱「本集團」)致力實現及支持高水平的企業管治，並維持已妥善設立的企業管治常規守則，以維護保華股東及其他持份者的利益。

於保華2018年年報(可於保華網站(www.pyicorp.com)瀏覽)內之企業管治報告中，我們報告，除當中所披露之偏離事項外，保華已於截至2018年3月31日止年度應用及遵守《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》(「《企管守則》」)之原則及所有適用守則條文。

於截至2019年3月31日止年度，保華繼續遵守《企管守則》所載之守則條文，惟以下偏離事項除外：

《企管守則》之守則條文A.2.1規定，主席與行政總裁的角色應有區分，並由不同人士擔任。隨著周明權博士於2011年9月16日退任，自2011年9月26日起，保華之總裁(相當於行政總裁)劉高原先生獲委任為保華主席(「主席」)，履行主席兼行政總裁的角色。

保華董事局(「董事局」)認為在現階段由劉高原先生同時兼任兩個角色乃屬恰當及符合保華之利益，此舉有助本集團內統一領導，並確保本集團之整體策略計劃更有效且效率更高。董事局亦相信，目前之安排不會使權力制衡被削弱，而現時之董事局由經驗及才幹兼備的人士組成，其中不少於半數為獨立非執行董事，確保有足夠的權力制衡。

此外，為了表達保華對維持高水平企業管治的承諾，董事局於2013年6月採納了董事局成員多元化政策，該政策之摘要載列於本報告第50頁。

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PYI has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules applicable to PYI directors as well as relevant employees of PYI. After having made specific enquiries, all directors and relevant employees of PYI have confirmed their compliance with the required standard set out in the Model Code during the year ended 31 March 2019.

Since the launch of the Code of Conduct of PYI (the “Conduct Code”) in October 2009, all PYI directors, senior management and staff have been under specific obligations to comply with the ethics and principles under which our business is conducted and have been allowed to report actual or potential violations of the Conduct Code through stated procedure. Non-compliance with the Conduct Code will result in disciplinary action. During the year, we are not aware of any non-compliance with the Conduct Code.

保華亦已經採納《上市規則》附錄十中的《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)，而《標準守則》適用於保華董事及有關僱員。經特定查詢，全體保華董事及有關僱員均確認在截至2019年3月31日止年度一直有遵守《標準守則》列載之所需標準。

自2009年10月推行保華的行為準則(「《行為準則》」)，所有保華董事、高級管理層和員工已按特定責任，遵守進行我們業務的道德守則和原則，並可透過指定程序報告實際或潛在違規情況。違反《行為準則》會受到紀律處分。於年內，我們沒有發現任何不遵守《行為準則》的情況。

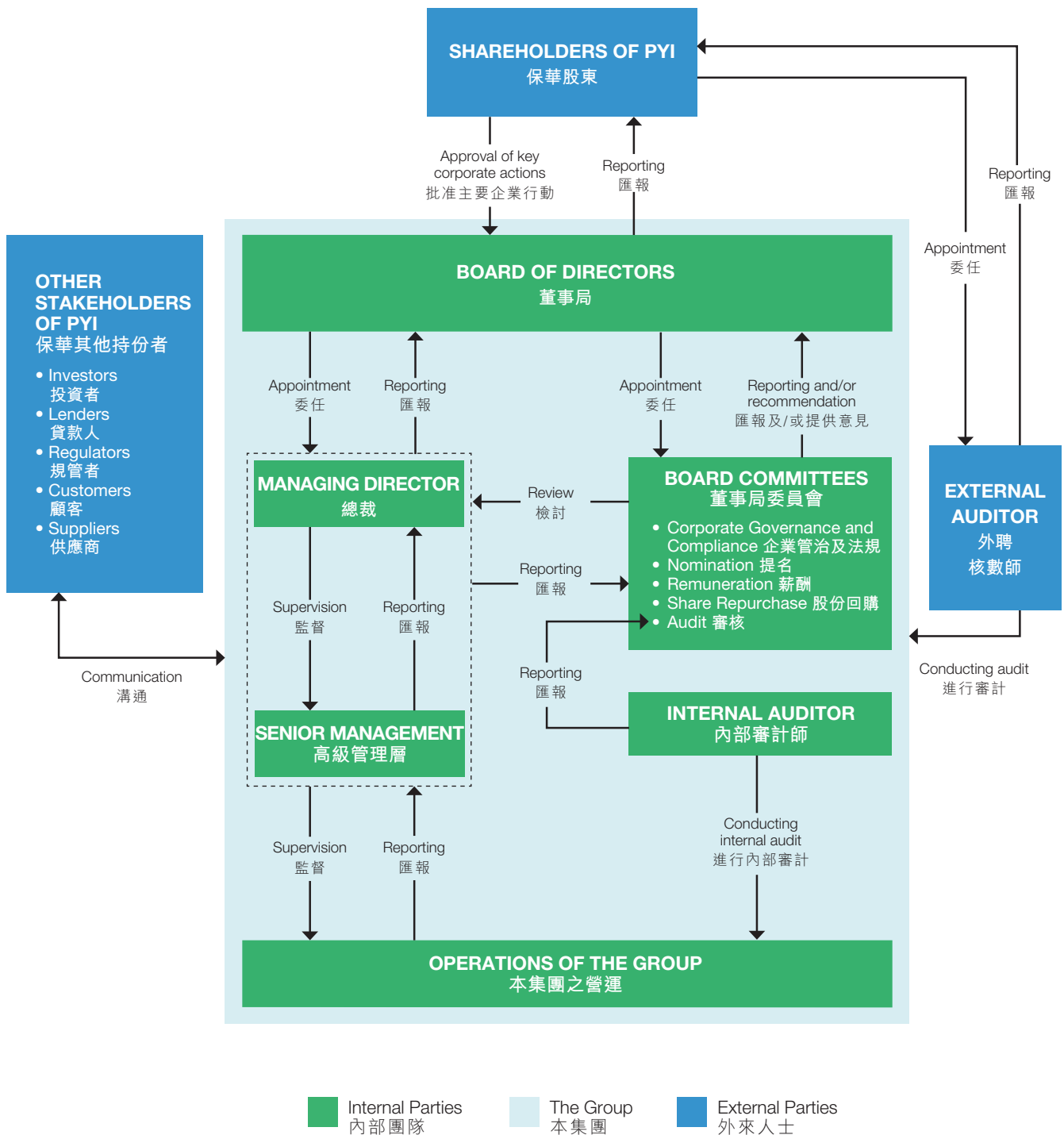
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CORPORATE GOVERNANCE STRUCTURE

企業管治架構

The structure below shows the key parties involved in our corporate governance practices and policies within the Group:

以下架構展示本集團之企業管治常規及政策內所涉及之主要人員：



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SHAREHOLDERS

Communication with Shareholders

As part of corporate governance, PYI is committed to safeguarding shareholders' interests. To achieve this, PYI has established a Shareholders Communication Policy setting out various channels of communication with shareholders and investor community for ensuring effective disclosure of the Company's performance and business activities.

PYI regards its shareholders' meetings as valuable forum for PYI shareholders to raise comments and exchange views with the Board face to face. All our directors and senior management and representative from external auditor will make effort to attend shareholders' meetings and address queries from shareholders. Also, simultaneous translations in English and Cantonese are arranged during the meetings to ensure that the shareholders understand the content of the issues discussed during the conduct of the meetings.

During the year ended 31 March 2019, PYI held one general meeting. Voting on resolutions put forward at the general meeting has been taken by way of poll and the poll results have been published and posted on the websites of PYI and Hong Kong Exchanges and Clearing Limited ("HKEx"). All resolutions put to shareholders were passed at the said general meeting. The resolutions and the percentage of votes cast in favour of the resolutions are set out below:

股東

與股東溝通

作為企業管治的一部份，保華肩負保障股東利益的責任。為了實踐這一目標，保華設立股東通訊政策，陳述各種與股東及投資人士溝通的渠道，以確保有效披露本公司業績及業務。

保華視其股東大會為保華股東向董事局提出建議及交換意見的一個寶貴平台。所有保華的董事、高級管理層和外聘核數師代表皆盡量撥冗出席股東大會，以回應股東的提問。此外，在會議期間，我們已安排英語及廣東話的即時傳譯服務，以確保股東了解在會議進行時所討論問題的內容。

於截至2019年3月31日止年度內，保華舉行了一次股東大會。股東大會的決議案均以投票的方式表決。所有投票的結果已在保華和香港交易及結算所有限公司（「香港交易所」）之網站刊載。所有於該股東大會上提呈之議案均獲得通過。所提呈之議案及贊成有關議案之票數比率，列載如下：

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PYI'S GENERAL MEETING HELD DURING THE YEAR ENDED 31 MARCH 2019

於截至2019年3月31日止年度舉行的保華股東大會

Annual General Meeting on 7 September 2018 於2018年9月7日舉行的股東週年大會	% of Votes Cast For 贊成票數的比率
✓ Approval of the 2018 audited accounts 通過2018年度的經審核賬目	98.97%
✓ Re-election of Mr Lau Tom Ko Yuen as director 重選劉高原先生為董事	98.90%
✓ Re-election of Mr Chan Shu Kin as director 重選陳樹堅先生為董事	98.89%
✓ Re-election of Mr Leung Chung Ki as director 重選梁松基先生為董事	98.97%
✓ Approval of directors' fees in aggregate amount of not exceeding HK\$4,000,000 per annum for all directors 通過給予全體董事總額不超過每年4,000,000港元的董事袍金	98.97%
✓ Re-appointment of Deloitte Touche Tohmatsu as auditor and authorisation to the Board to fix their remuneration 再度委任德勤•關黃陳方會計師行為核數師及授權董事局釐定其酬金	99.86%
✓ Grant of general and unconditional mandate to directors to issue shares 給予董事發行股份的一般及無條件授權	95.52%
✓ Grant of general and unconditional mandate to directors to repurchase shares 給予董事回購股份的一般及無條件授權	99.99%
✓ Extension of the share issue mandate to directors 擴大授予董事發行股份之權力	95.52%

Apart from holding shareholders' meetings, PYI also endeavours to maintain effective communication with all shareholders through other channels such as publication of annual and interim reports, announcements, circulars as well as news releases (all in bilingual) so as to provide extensive information on the Group's activities, financial position, business strategies and developments to enable them to make informed decision on matters relating to their investment and exercise of their rights as shareholders of PYI. Such information is also available on PYI's website (www.pyicorp.com) and HKEx's website.

Our website is an effective means of communication with shareholders. Any shareholders who have questions or comments on what we are doing are most welcome to contact us at any time through our website. We will try our best to answer the questions in a short time.

保華為確保所有股東可就其投資作出明智的決定，以及行使其作為保華股東的權利，除舉行股東大會外，亦透過刊發年度及中期報告、公告、通函以及新聞稿(全以雙語形式)，努力與所有股東以不同之通訊渠道維持有效的溝通，以提供本集團活動、財務狀況、業務策略和發展的廣泛資訊，而保華網站(www.pyicorp.com)及香港交易所網站亦有登載此等資訊。

我們的網站是一個與股東溝通的有效媒介。任何股東就我們所作出事項有任何疑問或意見，可透過網站隨時與我們聯繫，我們將竭盡所能在短時間內回答問題。

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At pages 70 to 72 of this annual report, we have designated a section called “PYI and Shareholders” which serves to provide shareholders with more information such as the shareholding of PYI as at the year end.

Shareholders' Rights

PYI recognises the importance of ensuring that shareholders' rights are protected. In accordance with PYI's bye-laws and the applicable laws of Bermuda, all PYI's shareholders are entitled to attend or be represented by proxy and vote at general meetings. PYI's shareholders holding not less than one-tenth of the paid up capital of PYI carrying the right of voting at general meetings have the right to require a special general meeting to be convened and propose transaction of business.

All PYI's shareholders have the right to propose person for election as director of PYI. The relevant procedure for proposing a person for election as director of PYI is set out in the Letter from the Board in the circular for re-election of directors.

BOARD AND BOARD COMMITTEES

Board's Role and Delegation

The primary role of the Board is to maximize long-term shareholder value. It assumes the responsibility for providing effective and responsible leadership and control of the Company, and directing and supervising the Company's affairs in pursuit of the Group's strategic objectives.

The Board, led by the Chairman, approves and monitors group-wide strategies and policies, evaluates the performance of the Group and supervises the management.

To enhance efficiency, the Board has delegated to the Managing Director the day-to-day leadership and management of the Group. The senior management of the Group, on the other hand, is responsible for the management and administrative functions and the day-to-day operations of the Group under the supervision of the Managing Director. The corporate governance structure of PYI as disclosed in this report at page 44 shows the detailed relationship between the Board, the Managing Director and the senior management as well as other stakeholders.

於本年報的第70至72頁，我們在「保華與股東」一節中，為股東提供更多資料，如於年結日保華股權的資料。

股東權利

保華確認保障股東權利的重要性。根據保華之公司細則及百慕達適用法例，所有保華股東均有權出席或委派代表出席股東大會，並於股東大會上投票。持有不少於十分之一保華已繳股本，並可於股東大會上投票之保華股東，有權要求召開股東特別大會及提呈事務。

所有保華股東皆有權推薦人選參選為保華之董事。有關推薦個別人士參選保華董事之程序已載於有關重選董事的通函中之董事局函件內。

董事局及董事局委員會

董事局的角色及權力轉授

董事局的主要角色是為股東爭取最大之長遠利益，肩負給予既有效又負責任的領導及監控本公司之責任，同時帶領及監督本公司之業務朝著本集團的策略性目標發展。

在主席的領導下，董事局審批和監察整個集團的策略和政策、評估本集團的表現，以及監督管理層。

為提升效率，董事局已將本集團日常領導及管理之權力下放予總裁負責。另一方面，在總裁監督下，本集團高級管理層肩負管理和行政職能的責任，以及履行本集團日常營運的職責。載於本報告第44頁的保華企業管治架構披露董事局、總裁、高級管理層以及其他持份者的詳細關係。

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Below is a summary of specific matters which are reserved for the Board:

以下是董事局專責事務的摘要：

SUMMARY OF SPECIFIC MATTERS RESERVED FOR THE BOARD

董事局專責事務的摘要

- ✓ Financial reporting and control
財務報告及監控
- ✓ Equity fund raising
資本籌措
- ✓ Recommendation/declaration of dividend or other distributions
股息或其他分派的建議／宣派
- ✓ Notifiable and connected transactions under the Listing Rules and inside information under the Securities and Futures Ordinance
《上市規則》所述的須予公佈和關連交易及《證券及期貨條例》所述的內幕消息
- ✓ Capital reorganisation or other significant changes in the capital structure of the Group
資本重組或本集團資本結構的其他重大改變

Board's Responsibility for the Consolidated Financial Statements

The Board acknowledges its responsibility for preparing the consolidated financial statements of the Group and for ensuring that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable standards.

The statement of the external auditor of the Company concerning its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 92 to 100 of this annual report.

Board Composition

As at the date of the Directors' Report, there are 6 directors in our Board consisting of 3 executive directors and 3 independent non-executive directors. Independent non-executive directors represented not less than half of the Board members, thus exhibiting a strong independent element which enhanced independent judgement. Mr Chan Shu Kin, an independent non-executive director of the Company, has the appropriate professional qualifications, or accounting or related financial management expertise as required under the Listing Rules.

董事局對綜合財務報表的責任

董事局確認有責任編製本集團綜合財務報表，並確保在編製本集團綜合財務報表時按照法定要求和合適的準則。

本公司外聘核數師就本集團綜合財務報表發表有關其申報責任的聲明，載列於本年報第92至100頁獨立核數師報告書內。

董事局組成

於董事局報告書日期，董事局由六位董事組成，包括三位執行董事及三位獨立非執行董事。獨立非執行董事佔董事局成員不少於半數，從而表現強烈的獨立元素，增強獨立判斷。本公司獨立非執行董事陳樹堅先生具備《上市規則》要求的適當專業資格，或會計或相關的財務管理專長。

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BOARD OF DIRECTORS

董事局

(as at the date of the Directors' Report 於董事局報告書日期)

3 Independent Non-Executive Directors 獨立非執行董事

Mr Chan Shu Kin 陳樹堅先生
Ms Wong Lai Kin, Elsa 黃麗堅女士
Mr Leung Chung Ki 梁松基先生

+

3 Executive Directors 執行董事

Mr Lau Tom Ko Yuen 劉高原先生
(Chairman & Managing Director 主席兼總裁)
Mr Sue Ka Lok 蘇家樂先生
Ms Wu Yan Yee 胡欣綺女士

There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board and senior management.

There was no change of directors and Board committee members during the year ended 31 March 2019 except that (i) Mr Mok Yat Fan, Edmond resigned as an independent non-executive director of the Company with effect from 1 June 2018 and simultaneously ceased to be a member of each of the Audit Committee, the Corporate Governance and Compliance Committee, the Nomination Committee and the Remuneration Committee; and (ii) Mr Leung Chung Ki was appointed as an independent non-executive director of the Company and a member of each of the Audit Committee, the Corporate Governance and Compliance Committee, the Nomination Committee and the Remuneration Committee of the Company with effect from 1 June 2018. Brief biographical details of each director (including his/her age, gender, term of office, professional qualification and experience) are set out on pages 33 to 38 of this annual report and also available on PYI's website (www.pyicorp.com).

PYI has also maintained on its website and HKEx's website an updated list of its directors identifying their roles and functions and whether they are independent non-executive directors. Independent non-executive directors are also identified as such in all corporate communications that disclose the names of directors of the Company.

董事局及高級管理層各成員之間並無(包括財務、業務、家族或其他重大/相關關係)關連。

除了以下變動外：(i)莫一帆先生自2018年6月1日起辭任為本公司獨立非執行董事並同時停任本公司之審核委員會成員、企業管治及法規委員會成員、提名委員會成員以及薪酬委員會成員；及(ii)梁松基先生自2018年6月1日起獲委任為本公司之獨立非執行董事及本公司之審核委員會成員、企業管治及法規委員會成員、提名委員會成員及薪酬委員會成員，董事及董事局委員會成員於截至2019年3月31日止年度期間並沒有變動。每位董事的簡歷詳情(包括其年齡、性別、任期、專業資格及經驗)載於本年報的第33至38頁，以及可於保華網站(www.pyicorp.com)內瀏覽。

保華亦在其網站及香港交易所網站上設存最新的董事局成員名單，並列明其角色和職能，以及註明其是否為獨立非執行董事。在所有披露本公司董事姓名的公司通訊中，均列明獨立非執行董事姓名。

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Each independent non-executive director is required to inform PYI as soon as practicable if there is any change in his or her own personal particulars that may affect his or her independence. No such notification was received during the year. Pursuant to the requirement in the Listing Rules, the Company has received a written confirmation on independence from each independent non-executive director. The Company considers all of the independent non-executive directors to be independent.

All Board members have complied with the requirement of the Securities and Futures Ordinance regarding disclosure of their respective interests in PYI and its associated corporations, if any, during the year. Interests and short positions of PYI's directors in shares, underlying shares and debentures of PYI and its associated corporations are disclosed in the Directors' Report on pages 82 and 83 of this annual report.

Board Diversity Policy

As mentioned above, a Board Diversity Policy setting out the approach to achieve diversity on the Board was adopted in June 2013. Under the policy:

- (a) the Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in achieving a sustainable and balanced development of the Company;
- (b) the Nomination Committee is primarily responsible for reviewing the structure, size and composition of the Board, identifying and selecting suitable individuals to the Board and making recommendations to the Board on any proposed changes to the Board; and
- (c) selection of candidates for directorship with the Company will be based on diversity of perspectives which can be achieved through consideration of a number of factors including but not limited to gender, age, cultural and educational background, ethnicity, professional and industrial experience, skills, knowledge and independence (if applicable).

The Nomination Committee will monitor the implementation of the policy and review the policy, where necessary, to ensure its continued effectiveness.

如有任何個人變動以致可能會影響其獨立性，每名獨立非執行董事須在切實可行的情況下盡快通知保華。於年內，保華沒有收到此類別的通知。根據《上市規則》之要求，本公司已收到每名獨立非執行董事就其獨立性出具之書面確認。本公司視所有獨立非執行董事為獨立人士。

於年內，所有董事局成員皆遵守《證券及期貨條例》之要求，披露彼等各自於保華及其相聯法團的利益(如有)。保華董事於保華及其相聯法團之股份、相關股份及債券的權益及淡倉載於本年報第82及83頁的董事局報告書內。

董事局成員多元化政策

如前文所述，於2013年6月獲採納之董事局成員多元化政策列明了實現董事局成員多元化之方針。在該政策下：

- (a) 本公司明白並深信董事局成員多元化的裨益，及視董事局層面日益多元化為達致本公司可持續均衡發展的關鍵元素；
- (b) 提名委員會負責檢討董事局的架構、人數及組成，以物色及甄選合適人選加入董事局，及向董事局提出任何變更董事局之建議；及
- (c) 甄選本公司董事人選將以多元化的角度為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業及行業領域之經驗、技能、知識及獨立性(如適用)等多項因素。

提名委員會將會監察該政策的執行情況及在需要時檢討該政策，以確保其持續行之有效。

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Nomination Policy

The Board has adopted a nomination policy (the “Nomination Policy”) setting out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment and (ii) shareholders of the Company for election as a director of the Company.

Under the Nomination Policy, the factors listed below will be considered in assessing the suitability of a proposed candidate:

- (a) qualifications, professional experience, skills and knowledge which are relevant to the business of the Company and its subsidiaries;
- (b) commitment in respect of available time and relevant interest;
- (c) regulatory requirements for appointment of independent non-executive directors and the independence criteria set out in Chapter 3 of the Listing Rules; and
- (d) diversity perspectives set out in the Board Diversity Policy.

The above factors are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to take into account additional factors as it considers appropriate.

For filling a casual vacancy or as an addition to the existing Board, the Nomination Committee shall make recommendations for the Board’s consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

On making recommendation, the Nomination Committee may submit to the Board for consideration a proposal comprising, inter alia, the personal profile of the proposed candidate, which contains at least the candidate’s information required to be disclosed under Rule 13.51 of the Listing Rules.

The Board shall be vested with power to make the final decision on all matters relating to the recommendation of candidates (i) for appointment and (ii) for standing for election at a general meeting as a director of the Company.

提名政策

董事局已採納提名政策（「提名政策」），列載準則作為提名委員會指引以物色及評估候選人，以(i)提供予董事局委任為本公司董事及(ii)向本公司股東提名以供選任為本公司董事。

根據提名政策，提名委員會在評估建議候選人是否合適時將參考以下因素：

- (a) 資格、專業經驗，以及與本公司及其附屬公司業務相關的技能及知識；
- (b) 可投入的時間及相關興趣；
- (c) 有關委任獨立非執行董事之監管規定及《上市規則》第三章所載的獨立性準則；及
- (d) 董事局多元化政策所載的多元化觀點。

以上因素並不旨在涵蓋所有因素，也不具決定性作用。提名委員會可酌情參考其認為合適的額外因素。

就填補臨時空缺或委任額外董事局成員，提名委員會須推薦候選人供董事局考慮及批准。就推薦候選人在股東大會上供選任，提名委員會須向董事局提名候選人供其考慮及推薦。

在推薦候選人時，提名委員會可向董事局提交一份內容載有（其中包括）候選人個人資料的建議書。候選人個人資料須至少包括根據《上市規則》第13.51條須披露的候選人資料。

董事局對於其推薦候選人(i)獲委任為本公司董事及(ii)在股東大會上供選任為本公司董事的所有事宜擁有最終決定權。

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Board Meetings and Process

In order to ensure that the Board plays an effective role in steering the Group to do businesses in the interest of shareholders, a schedule of Board and Board committees meetings to be conducted within the next financial year is issued well in advance to all members, thus well-facilitating more participation by the directors in every meeting. Within the year, 7 Board meetings were held and the overall attendance of Board meetings attained 95% while 95% attendance was also recorded for Board committee meetings.

The Board meets at least 4 times a year to review financial performance, strategy and operations. Notice of not less than 14 days (or other reasonable period) will be given for each meeting and agenda and board papers will be given 3 days (or other reasonable period) prior to the meeting.

Senior management and professional advisers are invited to attend Board meetings to brief the Board on issues considered by the Board where appropriate. In the event where independent professional advice is required, the request for seeking such advice was abided by pre-approved procedures.

The minutes for all of the Board meetings, which were recorded in sufficient detail, were circulated to all directors within a reasonable time period after meetings for their comments and were kept in the minute book for inspection by directors.

Also, each director is required to make disclosure of his/her interests or potential conflict of interests, if any, in any proposed transactions or issues discussed by the directors at Board meetings. Any director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he/she is materially interested nor shall he/she be counted in the quorum present at the meeting.

董事局會議及過程

為確保董事局有效地發揮其以股東利益為本，來掌舵本集團的角色，下一個財政年度之董事局及董事局委員會開會時間表將預早發送給全體成員，令董事們作好安排參與每個會議。於年內，共舉行了7次董事局會議，董事局會議的整體出席率達95%，而董事局委員會會議的出席率亦達95%。

董事局每年至少召開4次會議，以審閱財務表現、策略和營運。每次召開董事局會議發出不少於14天(或其他合理期限)通知，而議程及會議文件在會議前3天(或其他合理期限)發出。

在適當的情況下，高級管理層及專業顧問將獲邀出席董事局會議，就董事局考慮的事項作出簡報。徵詢獨立專業意見之要求，須符合既定程序。

所有董事局會議之會議紀錄均記錄詳盡，亦在合理的期限內分發給每位董事，以供董事表達彼等意見，而該等會議紀錄備存會議紀錄冊內供董事查閱。

再者，於董事局會議審議交易或事項時，每名董事均須申報其於當中之利益或潛在利益衝突(如有)。於任何合約、安排或任何其他建議中有重大利益之任何董事皆不得就通過該合約、安排或建議的董事局決議案投票，亦不得計入出席該會議的法定人數。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board Tenure

As stipulated by PYI's bye-laws, all directors (including non-executive directors) are required to retire by rotation at least once every three years and seek for re-election at annual general meeting. At each annual general meeting, one-third of the directors for the time being shall retire from office. Any new directors appointed either to fill a casual vacancy or as an addition to the Board during the year by the Board following the recommendation of the Nomination Committee are subject to re-election by shareholders of PYI at the next following general meeting after their appointment.

All directors (including non-executive directors) have entered into letters of appointment with PYI for a term of three years subject to retirement from office by rotation and re-election at annual general meeting.

In the 2018 AGM, Mr Lau Tom Ko Yuen, Mr Chan Shu Kin and Mr Leung Chung Ki, who retired from office in accordance with the Company's bye-laws, were re-elected as directors of PYI.

In accordance with bye-laws 87(1) and 87(2) of the Company's bye-laws, Mr Sue Ka Lok and Ms Wu Yan Yee will retire by rotation at the forthcoming annual general meeting.

The retiring directors, being eligible, seek for re-election and their respective biographies are set out in the circular for re-election of directors.

Directors' Commitments

All directors are committed to devoting sufficient time and attention to the affairs of the Group. They have disclosed to PYI the identity of public companies or organizations in which they have held offices, and the number and nature of the offices, as well as other significant commitments and are required to notify PYI of any changes of such information in a timely manner. Directors are also required to confirm details of biographies and their time commitments to the affairs of PYI as well as the time committed to other public companies or organizations and other significant commitments on an annual basis.

董事局任期

根據保華之公司細則規定，所有董事（包括非執行董事）須至少每三年輪值退任一次，並可在股東週年大會上應選連任。於每屆股東週年大會上，當時三分之一的董事須輪值告退。任何在年內經提名委員會推薦後，由董事局委任的董事，不論是填補董事局之臨時空缺，或出任董事局之新增成員，均須在緊隨他們獲委任後舉行的股東大會上獲保華股東重選連任。

所有董事（包括非執行董事）已與保華訂立委任書，任期為三年，惟須於股東週年大會上輪值告退及重選連任。

劉高原先生、陳樹堅先生及梁松基先生於2018年股東週年大會上根據本公司之公司細則退任，並獲重選為保華董事。

根據本公司公司細則之細則第87(1)及87(2)條，蘇家樂先生及胡欣綺女士須於即將舉行之股東週年大會上輪值退任。

該等退任董事均符合資格重選，並尋求重選連任。彼等之簡歷已載於有關重選董事的通函內。

董事的承擔

所有董事均致力投入足夠時間及精神以處理本集團的事務。他們已向保華披露彼等擔任職位的公眾公司或組織的名稱、職位的數目及性質，以及其他重大承擔，且在該等資料有任何變動時須及時通知保華。董事亦須每年確認其個人簡歷、投入處理保華事務之時間，以及其投入其他公眾公司或組織與其他重大承擔之時間詳情。

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Training and Professional Development

For all newly appointed directors, a comprehensive and tailored induction programme is administered to ensure full awareness of director's duties and responsibilities under statute and common law, the Conduct Code, the Listing Rules and other regulatory requirements and the business and governance policies of the Group.

PVI recognises the importance of continuing professional training for directors and management and believes that it is effective to enhance corporate governance through regular training within the Group. Apart from reading monthly management updates, directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars at the expense of PVI on an ongoing and regular basis.

This year, our directors and management continued to keep abreast of any updates on the governing laws and regulations of the jurisdictions where PVI operates businesses and applicable guidelines and rules issued by regulatory authorities and attended seminars organised by professional bodies and/or had been provided with materials of such seminars. Our Hangzhou training centre is responsible for organising regular internal training for management of the Group. In addition to regular attendance at Board and Board committees meetings, directors including independent non-executive directors have participated in a field trip to Xiao Yangkou in October 2018.

All directors and senior management are required to provide PVI with their training records on an annual basis, and such records are maintained by the Company Secretary for regular review by the Corporate Governance and Compliance Committee. The training records of the directors and senior management for this year were reviewed by the Committee in June 2019.

培訓及專業發展

我們會正式給予所有新委任董事一個全面兼特為其而設的就任須知計劃，以確保他們完全知悉其在法規及普通法、《行為準則》、《上市規則》及其他監管規定，以及本集團的業務和管治政策下的職責。

保華確認向董事及管理層提供持續專業培訓的重要性，並相信通過本集團的定期培訓，有效提升企業管治。除閱讀月度管理報告外，本集團亦鼓勵董事持續及定期接收有關本集團所有事宜之最新資訊及出席由保華付費之簡報會及研討會。

於本年度，我們的董事及管理層繼續緊貼保華有經營業務之地區之管限法律規章，以及監管機構出具的適用指引及規則之更新，並出席由專業機構舉辦之研討會，並／或獲提供該等研討會之材料。我們的杭州培訓中心負責為本集團管理層舉辦定期內部培訓。除定期出席董事局及董事局委員會會議外，董事包括獨立非執行董事曾於2018年10月到小洋口實地考察。

所有董事及高級管理層均須每年向保華提供他們的培訓記錄，而該等記錄由公司秘書存置，以便企業管治及法規委員會定期審閱。委員會已於2019年6月審閱董事及高級管理層於本年度的培訓記錄。

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According to the records, PYI directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with Code Provision A.6.5 of the CG Code during the year:

根據記錄，保華董事於本年度已接受下述著重上市公司董事角色、職能及責任之培訓，以符合《企管守則》之守則條文第A.6.5條之規定：

Directors 董事	Type of Training 培訓類別	
	Reading materials 閱讀材料	Attending internal and external seminars or conferences 出席內部及外部研討會或會議
Independent Non-Executive Directors 獨立非執行董事		
Mr Chan Shu Kin 陳樹堅先生	✓	✓
Ms Wong Lai Kin, Elsa 黃麗堅女士	✓	✓
Mr Leung Chung Ki 梁松基先生	✓	✓
Executive Directors 執行董事		
Mr Lau Tom Ko Yuen 劉高原先生	✓	✓
Mr Sue Ka Lok 蘇家樂先生	✓	✓
Ms Wu Yan Yee 胡欣綺女士	✓	✓

Board Committees

Constantly striving to achieve greater transparency and accountability to PYI shareholders, the Board has established five Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance and Compliance Committee, and the Share Repurchase Committee; each having specific roles, authority and functions as detailed in the respective written terms of reference which are available on PYI's website (www.pyicorp.com). A majority of members of all Board committees are independent non-executive directors.

The Board may also establish committees (including independent board committee) on an ad hoc basis to approve projects as it deems necessary.

董事局委員會

為求對保華股東實踐更高透明度及提高問責性，董事局已成立五個董事局委員會，即：審核委員會、薪酬委員會、提名委員會、企業管治及法規委員會和股份回購委員會；每個董事局委員會各自的職權範圍詳述其特定角色、權限及職能，並已上載到保華網站(www.pyicorp.com)。所有董事局委員會的大多數成員為獨立非執行董事。

董事局亦可在其認為需要的情況下，按特設基準設立委員會(包括獨立董事局委員會)審批項目。

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All Board committees have adopted, to a large extent, the same principles, procedures, and arrangements as those of the Board and are provided with sufficient resources to perform their duties. The Board committees will make recommendations to the Board on a regular basis unless there are legal or regulatory restrictions on their ability to do so.

所有董事局委員會已採納大致上與董事局相同的原則、程序和安排，並獲提供充足資源以履行其職責。董事局委員會將定期向董事局提出建議，除非董事局委員會受法律或監管限制所限而不能作出匯報。

ATTENDANCE RECORD OF MEETINGS HELD DURING THE YEAR ENDED 31 MARCH 2019 於截至2019年3月31日止年度舉行之會議之出席紀錄

	BOARD COMMITTEES 董事局委員會						Shareholders 股東
	Board 董事局	Audit 審核	Remuneration 薪酬	Nomination 提名	Corporate Governance and Compliance 企業管治及法規	Share Repurchase 股份回購	
Number of meetings held during the year 於年內舉行會議次數	7	3	4	2	3	0	1
Independent Non-Executive Directors 獨立非執行董事							
Mr Chan Shu Kin 陳樹堅先生	6/7	3/3	4/4	2/2	3/3	0/0	1/1
Ms Wong Lai Kin, Elsa 黃麗堅女士	7/7	3/3	—	2/2	3/3	—	1/1
Mr Mok Yat Fan, Edmond 莫一帆先生 (resigned with effect from 1 June 2018 自2018年6月1日起辭任)	1/2	0/0	1/2	0/1	0/0	—	0/0
Mr Leung Chung Ki 梁松基先生 (appointed with effect from 1 June 2018 自2018年6月1日起獲委任)	5/5	3/3	2/2	1/1	3/3	—	1/1
Executive Directors 執行董事							
Mr Lau Tom Ko Yuen 劉高原先生	7/7	—	4/4	2/2	—	0/0	1/1
Mr Sue Ka Lok 蘇家樂先生	7/7	—	—	2/2	—	—	0/1
Ms Wu Yan Yee 胡欣綺女士	7/7	—	—	—	—	—	1/1
Company Secretary 公司秘書							
Mr Shing On Wai 成安威先生 (resigned with effect from 16 April 2018 自2018年4月16日起辭任)	0/0	0/0	0/0	0/0	0/0	—	0/0
Mr Chan Kai Ki 陳佳驥先生 (appointed with effect from 16 April 2018 自2018年4月16日起獲委任)	7/7	3/3	4/4	2/2	3/3	—	1/1

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The following tables show the composition of the Board committees, their respective roles and functions and a summary and/or report of the works performed by them during the year ended 31 March 2019:

以下列表顯示於截至2019年3月31日止年度期間董事局委員會的組成，其角色與職能及其工作摘要及／或報告：

REMUNERATION COMMITTEE 薪酬委員會	
Composition 組成	<div style="display: flex; align-items: center; justify-content: space-between;"> <div style="text-align: center;"> 2 Independent Non-Executive Directors 獨立非執行董事 Mr Chan Shu Kin 陳樹堅先生 (<i>Chairman</i> 主席) Mr Leung Chung Ki 梁松基先生 </div> <div style="font-size: 2em; font-weight: bold; color: #008000;">+</div> <div style="text-align: center;"> 1 Executive Director 執行董事 Mr Lau Tom Ko Yuen 劉高原先生 </div> </div>
Role & Function* 角色與職能*	<ul style="list-style-type: none"> ✓ Reviews the remuneration policy of the Company 檢討本公司的薪酬政策 ✓ Makes recommendations to the Board on the policy and structure for the remuneration of all directors and senior management and on the establishment of formal and transparent procedures for developing a policy on such remuneration 就所有董事與高級管理層的薪酬政策及結構，以及為制定該等薪酬政策設立一個正規而具透明度的程序，向董事局作出建議 ✓ Determines or makes recommendations to the Board on the specific remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment 決定或向董事局建議個別執行董事及高級管理層的特定薪酬待遇，包括實物利益、退休金權利及賠償金額（包括由於喪失或終止其職務或委任所應付的任何補償金） ✓ Makes recommendations to the Board on the remuneration of non-executive directors 向董事局建議非執行董事的薪酬
Summary of work performed 工作摘要	<ul style="list-style-type: none"> ✓ Recommended the aggregate amount of directors' fees for shareholders' approval at 2018 AGM 建議董事袍金總額，供股東在2018年股東週年大會上批准 ✓ Considered and approved the key performance indicators of Managing Director and Senior Management for the year ended 31 March 2019 考慮及批准於截至2019年3月31日止年度適用於總裁及高級管理層的主要績效指標 ✓ Considered and approved the grant of additional incentive bonus 考慮及批准授出額外激勵花紅 ✓ Reviewed and recommended to the Board for approval the remuneration package of a newly appointed independent non-executive director 審閱及向董事局建議新獲委任的獨立非執行董事的薪酬待遇 ✓ Reviewed the remuneration packages of Managing Director and Senior Management for the year ended 31 March 2019 檢討總裁及高級管理層於截至2019年3月31日止年度的薪酬待遇 ✓ Approved the granting of discretionary year-end bonus for 2017 to Managing Director 批准向總裁授出2017年度酌情年終花紅 ✓ Approved salary increment of and grant of discretionary bonus to an executive director 批准上調一名執行董事的薪金及向其授出酌情花紅
<p>* Please refer to the terms of reference of the Remuneration Committee on PYI's website (www.pyicorp.com) for further details.</p> <p>* 有關進一步詳情，請瀏覽上載於保華網站(www.pyicorp.com)之薪酬委員會職權範圍。</p>	

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企業管治報告

Performance-based Remuneration Policy

Director's fee is determined with reference to factors including prevailing market conditions, salary paid by comparable companies, duties and responsibilities of a director, employment conditions elsewhere and time committed by the director concerned.

A performance-based element was considered instrumental in aligning the interests of individuals with those of the Group and has been built into top-management compensation.

PYI has adopted its own reward strategy which forms an integral part of its remuneration policy and the basis for future awards to employees. The key aspects of such reward strategy include:

- ✓ to attract and retain talents, base pay and benefits will be market competitive;
- ✓ to support the growth strategy of the Group, short-term and long-term performance-based rewards will be emphasized;
- ✓ to align employee interest with shareholders, the performance-based rewards will either be equity-based and/or cash-based; and
- ✓ equity-based and/or cash reward will be considered in light of an employee's level of responsibility and influence on the Group's performance and share price.

PYI effectively deploys an appropriate mix of its existing equity-based reward vehicles, including the share option scheme and share financing plan as well as cash bonus.

Details of remuneration of directors and senior management are set out in Note 13 to the financial statements.

績效為本的薪酬政策

董事袍金乃經參考多種因素而釐定，包括現行市場情況、類同公司所支付之薪金水平、董事職務與責任、其他地方之僱傭條件以及相關董事投入之時間。

績效為本的元素將個人利益與本集團利益掛鉤起了相當重要的作用，而這報酬機制會在最高管理層中實行。

保華已採納其自訂的獎賞策略，作為其薪酬政策的組成部份及日後獎勵僱員的基準。此獎賞策略的主要範疇包括：

- ✓ 基本薪酬及福利需具市場競爭力，以吸引及挽留人才；
- ✓ 強調短期及長期的績效為本獎賞，以支持本集團增長策略；
- ✓ 績效為本獎賞將以股份及／或現金為基礎，使僱員與股東利益互相緊扣；及
- ✓ 將因應僱員的責任輕重及其對本集團表現與股價的影響程度，考慮以股份及／或現金為基礎的獎賞。

保華適當地調配其現有以股份為基礎的獎賞機制，包括購股權計劃及股份融資計劃，以及現金花紅。

董事及高級管理層薪酬的詳情載於財務報表附註13。

CORPORATE GOVERNANCE REPORT
企業管治報告

NOMINATION COMMITTEE

提名委員會

Composition
組成

3 Independent Non-Executive Directors

獨立非執行董事

Mr Chan Shu Kin 陳樹堅先生 (Chairman 主席)
Ms Wong Lai Kin, Elsa 黃麗堅女士
Mr Leung Chung Ki 梁松基先生

+ 2 Executive Directors

執行董事

Mr Lau Tom Ko Yuen 劉高原先生
Mr Sue Ka Lok 蘇家樂先生

Role & Function*
角色與職能*

- ✓ Reviews the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional and industrial experience, skills, knowledge and length of service) of the Board at least annually and makes recommendations to the Board on any proposed changes
至少每年檢討董事局的架構、人數及多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業及行業領域之經驗、技能、知識及服務年期)，並就任何擬作變動向董事局提出建議
- ✓ Identifies individuals suitably qualified to become Board members and selects, or makes recommendations to the Board on the selection of, individuals nominated for directorships
物色具備合資格的合適人選擔任董事局成員，及挑選或向董事局提名建議有關人士出任董事
- ✓ Assesses the independence of independent non-executive directors
評核獨立非執行董事的獨立性
- ✓ Makes recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular, the Chairman and the Managing Director
就董事委任或重新委任，以及董事(尤其是主席與總裁)繼任計劃向董事局提出建議
- ✓ Develops, reviews and recommends to the Board for adoption of measurable objectives for achieving and improving diversity on the Board
為達致及改善董事局成員多元化，制訂、檢討及推薦可衡量目標予董事局考慮及採納
- ✓ Develops and reviews the policy, criteria and procedures for identification, selection and nomination of candidates for appointment as directors
制訂及檢討物色、選擇及提名候選人以供選任為董事之政策、準則及程序
- ✓ Monitors the implementation of the Board Diversity Policy (a summary of which is set out on page 50)
監察董事局成員多元化政策(其摘要載列於第50頁)的執行情況
- ✓ Monitors the implementation of the Nomination Policy (a summary of which is set out on page 51)
監察提名政策(其摘要載列於第51頁)的執行情況

Summary of work performed
工作摘要

- ✓ Nominated the retiring directors for re-election by shareholders at 2018 AGM
提名退任董事在2018年股東週年大會上應選連任
- ✓ Reviewed and assessed individual independent non-executive director's annual confirmation of independence declared pursuant to Rule 3.13 of the Listing Rules
審閱及評核獨立非執行董事按照《上市規則》第3.13條所申報之年度獨立性確認函
- ✓ Reviewed the structure, size and composition of the Board
檢討董事局的架構、人數及組成
- ✓ Reviewed the Board Diversity Policy
檢討董事局成員多元化政策
- ✓ Recommended to the Board for appointment of Mr Leung Chung Ki as an independent non-executive director
推薦董事局委任梁松基先生為獨立非執行董事
- ✓ Recommended to the Board for appointment of Mr Leung Chung Ki as a member of the Audit Committee, the Corporate Governance and Compliance Committee, the Nomination Committee and the Remuneration Committee
推薦董事局委任梁松基先生為審核委員會成員、企業管治及合規委員會成員、提名委員會成員及薪酬委員會成員

* Please refer to the terms of reference of the Nomination Committee on PVI's website (www.pyicorp.com) for further details.

* 有關進一步詳情，請瀏覽上載於保華網站(www.pyicorp.com)之提名委員會職權範圍。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION PROCEDURES, PROCESS AND CRITERIA 提名程序、過程以及準則



CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE 企業管治及法規委員會

Composition 組成

3 Independent Non-Executive Directors
獨立非執行董事

Mr Chan Shu Kin 陳樹堅先生 (Chairman 主席)
Ms Wong Lai Kin, Elsa 黃麗堅女士
Mr Leung Chung Ki 梁松基先生

+ 1 Company Secretary
公司秘書

Mr Chan Kai Ki 陳佳驥先生

Role & Function* 角色與職能*

- ✓ Develops and reviews the Company's policies and practices on corporate governance and makes recommendations to the Board
制定及檢討本公司的企業管治政策及常規，並向董事局提出建議
- ✓ Reviews and monitors the training and continuous professional development of directors and Senior Management
檢討及監察董事與高級管理層的培訓及持續專業發展
- ✓ Reviews and monitors the Company's policies and practices on compliance with legal and regulatory requirements and meets with the management of the Company to assess the Company's compliance policies, programs and procedures
檢討及監察本公司在遵守法律及監管規定方面的政策及常規，並與本公司的管理層舉行會議，以評估本公司的合規政策、方案及程序
- ✓ Develops, reviews, monitors and approves any code of conduct and compliance manual (if any) applicable to employees and directors of the Company
制定、檢討、監察及審批適用於本公司僱員及董事的任何行為準則及合規手冊(如有)
- ✓ Investigates or causes to be investigated any significant instances of non-compliance or potential compliance violations that are reported to the Corporate Governance and Compliance Committee
調查或安排調查向企業管治及法規委員會舉報的任何重大違規或潛在違規情況
- ✓ Reviews the Company's compliance with the CG Code as contained in the Listing Rules and disclosure in the Corporate Governance Report
檢討本公司遵守《上市規則》內之《企管守則》的情況及審閱《企業管治報告》內的披露
- ✓ Reviews the Company's compliance with the Environmental, Social and Governance Reporting Guide as contained in the Listing Rules and disclosure in the Environmental, Social and Governance Report
檢討本公司遵守《上市規則》內之《環境、社會及管治報告指引》的情況及在《環境、社會及管治報告》內的披露

CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

企業管治及法規委員會

- Summary of work performed**
工作摘要
- ✓ Reviewed the Corporate Governance Report for the year ended 31 March 2018
審閱截至2018年3月31日止年度之《企業管治報告》
 - ✓ Reviewed updated compliance reports of the Company and its major PRC subsidiaries
審閱本公司及其中國主要附屬公司的更新常規遵從報告
 - ✓ Reviewed the report on recommendation of disclosure in the Directors' Report (Business Review)
審閱有關建議在董事局報告書(業務審視)內所作披露之報告
 - ✓ Reviewed the form for confirmation of directors' participation in training provided by each director in compliance with the CG Code
審閱各董事提供之董事參與培訓之確認表格, 以遵守《企管守則》
 - ✓ Reviewed the policy on disclosure and public relations
檢討披露及公共關係政策
 - ✓ Reviewed the Environmental, Social and Governance Report for the year ended 31 March 2018
審閱截至2018年3月31日止年度之《環境、社會及管治報告》
 - ✓ Reviewed the Shareholders Communication Policy
檢討股東通訊政策
 - ✓ Reviewed and recommended to the Board for approval and adoption of the Nomination Policy and the Dividend Policy
審閱及向董事局建議批准及採納提名政策及股息政策
 - ✓ Reviewed and recommended to the Board for approval the revised terms of reference of various Board committees
審閱及向董事局建議批准及採納各董事局委員會之經修訂職權範圍

* Please refer to the terms of reference of the Corporate Governance and Compliance Committee on PYI's website (www.pyicorp.com) for further details.

* 有關進一步詳情, 請瀏覽上載於保華網站(www.pyicorp.com)之企業管治及法規委員會職權範圍。

SHARE REPURCHASE COMMITTEE

股份回購委員會

- Composition**
組成
- | | | | |
|--|--|---|--|
| | 1 Independent Non-Executive Director
獨立非執行董事
Mr Chan Shu Kin 陳樹堅先生 (<i>Chairman</i> 主席) | + | 1 Executive Director
執行董事
Mr Lau Tom Ko Yuen 劉高原先生 |
|--|--|---|--|

- Role & Function***
角色與職能*
- ✓ Exercises the general mandate granted by shareholders to the Board to repurchase shares of PYI in accordance with the Listing Rules, PYI's bye-laws and the applicable laws of Bermuda
根據《上市規則》、保華公司細則以及百慕達適用法律, 行使股東授予董事局回購保華股份之權力

- Summary of work performed**
工作摘要
- ✓ During the year, no Share Repurchase Committee meeting was held.
於年內, 並無召開股份回購委員會會議。

* Please refer to the terms of reference of the Share Repurchase Committee on PYI's website (www.pyicorp.com) for further details.

* 有關進一步詳情, 請瀏覽上載於保華網站(www.pyicorp.com)之股份回購委員會職權範圍。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

審核委員會

Composition 組成

3 Independent Non-Executive Directors

獨立非執行董事

Mr Chan Shu Kin# 陳樹堅先生# (Chairman 主席)

Ms Wong Lai Kin, Elsa 黃麗堅女士

Mr Leung Chung Ki 梁松基先生

Mr Chan Shu Kin is currently a certified public accountant with extensive experience in auditing, accounting and financial management services.

陳樹堅先生現為一名執業會計師，在核數、會計及財務管理服務方面擁用豐富經驗。

Role & Function*

角色與職能*

- ✓ Makes recommendations to the Board on appointment of external auditor
就委任外聘核數師向董事局提出建議
- ✓ Reviews the Group's financial information
審閱本集團財務資料
- ✓ Oversees the Group's financial reporting system, risk management and internal control systems
監管本集團財務匯報制度、風險管理及內部監控系統
- ✓ Reviews the interim and final results of the Group prior to submission to the Board for approval
在提交董事局批准之前，審閱本集團中期和末期業績
- ✓ Reviews financial reporting and internal control matters and to this end has unrestricted access to both the Company's external and internal auditors
審閱財務匯報和內部監控事宜，並可為此目的而無阻地跟本公司外聘核數師及內部審計師取得聯繫

Report on work performed

工作報告

- ✓ Reviewed unaudited interim consolidated financial statements and audited annual consolidated financial statements of the Group with a recommendation to the Board for approval
審閱本集團未經審核的中期綜合財務報表及經審核的年度綜合財務報表，並建議董事局通過
- ✓ Reviewed internal control and risk management framework of the Group
審閱本集團內部監控及風險管理框架
- ✓ Received and reviewed progress reports on internal control, risk management and internal audit actions implemented/planned by the Group
聽取及審閱本集團所實行或計劃的內部監控、風險管理及內部審計工作的進展報告
- ✓ Approved audit fee proposal of external auditor in connection with the audit of the Group's consolidated financial statements for the year ended 31 March 2018
批准外聘核數師就審核本集團截至2018年3月31日止年度綜合財務報表所建議的核數費
- ✓ Approved the engagement and the review fee proposal of external auditor in connection with the review of the Group's condensed consolidated financial statements for the six months ended 30 September 2018
批准委任外聘核數師及其就審閱本集團截至2018年9月30日止六個月之簡明綜合財務報表所建議的審閱費
- ✓ Reviewed connected transactions of the Group
審閱本集團之關連交易
- ✓ Recommended the re-appointment of Deloitte Touche Tohmatsu as the Group's external auditor at 2018 AGM
建議於2018年股東週年大會上重新委任德勤•關黃陳方會計師行為本集團外聘核數師
- ✓ Met with external auditor in the absence of executive directors of the Company
在沒有本公司執行董事在場的情況下，會見外聘核數師

* Please refer to the terms of reference of the Audit Committee on PYI's website (www.pyicorp.com) for further details.

* 有關進一步詳情，請瀏覽上載於保華網站(www.pyicorp.com)之審核委員會職權範圍。

CORPORATE GOVERNANCE REPORT 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility

The Board considers that sound risk management and internal control systems are vital to the achievement of the Group's strategic objectives and acknowledges its responsibility to establish, maintain and review the effectiveness of such systems on an ongoing basis.

Management is responsible for the design, implementation and ongoing monitoring of the risk management and internal control systems of the Group to achieve the following business objectives:

- ✓ Effectiveness and efficiency of operations
- ✓ Reliability of financial reporting and non-financial reporting
- ✓ Compliance with applicable laws and regulations

Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute, assurance against material misstatement or loss.

The Audit Committee has ongoing responsibilities to review the effectiveness of the Group's risk management and internal control systems and to report to the Board.

風險管理及內部監控

責任

董事局認為，健全的風險管理和內部監控系統對實現本集團的戰略目標至關重要，並確認董事局對該等系統的設置、維護及檢討其有效性有持續的責任。

管理層負責設計、實施及持續監察本集團的風險管理和內部監控系統，以達致下述業務目標：

- ✓ 有效用及有效率的運作
- ✓ 可信賴的財務及非財務匯報
- ✓ 遵守適用法律及規則

該等系統旨在管理而非消除導致未能達至業務目標的風險，因此，該等系統對重大錯報或虧損僅提供一個合理而非絕對的保證。

審核委員會有持續的責任對本集團風險管理和內部監控系統之有效性作出檢討，並向董事局匯報。

CORPORATE GOVERNANCE REPORT

企業管治報告

The table below shows the roles of the key parties in our risk management and internal control systems:

下表展示主要人員在我們的風險管理和內部監控系統內所擔當的角色：

Board of Directors

董事局

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> ✓ Sets strategic objectives
制定戰略目標 ✓ Oversees management in the design, implementation and monitoring of the risk management and internal control systems
監督管理層對風險管理及內部監控系統的設計、實施和監察 | <ul style="list-style-type: none"> ✓ Evaluates and determines the nature and extent for the Group's principal risks
評估本集團的主要風險及判斷其性質和程度 | <ul style="list-style-type: none"> ✓ Provides direction on the importance of risk management and risk management culture
就風險管理重要性和風險管理文化提供方向 |
|---|--|---|

Managing Director & Senior Management

總裁及高級管理層

- ✓ Assesses risks group-wide and develops mitigating measures
從集團整體的角度評估風險和制定風險緩解措施
- ✓ Designs, implements and monitors the risk management and internal control systems
設計、實施和監察風險管理和內部監控系統
- ✓ Provides confirmation on the effectiveness of risk management and internal control systems to the Board of Directors
對風險管理和內部監控系統的有效性向董事局提供保證

Audit Committee

審核委員會

- ✓ Reviews the effectiveness of risk management and internal control systems
檢討風險管理和內部監控系統的有效性

Internal Audit

內部審計

- ✓ Supports the Audit Committee in reviewing the effectiveness of risk management and internal control systems
支援審核委員會對風險管理和內部監控系統之有效性作出檢討

Operation Management

營運管理層

- ✓ Implements and monitors the risk management and internal control procedures across business operations and functional areas
實施及監察跨業務營運和職能部門的風險管理和內部監控程序

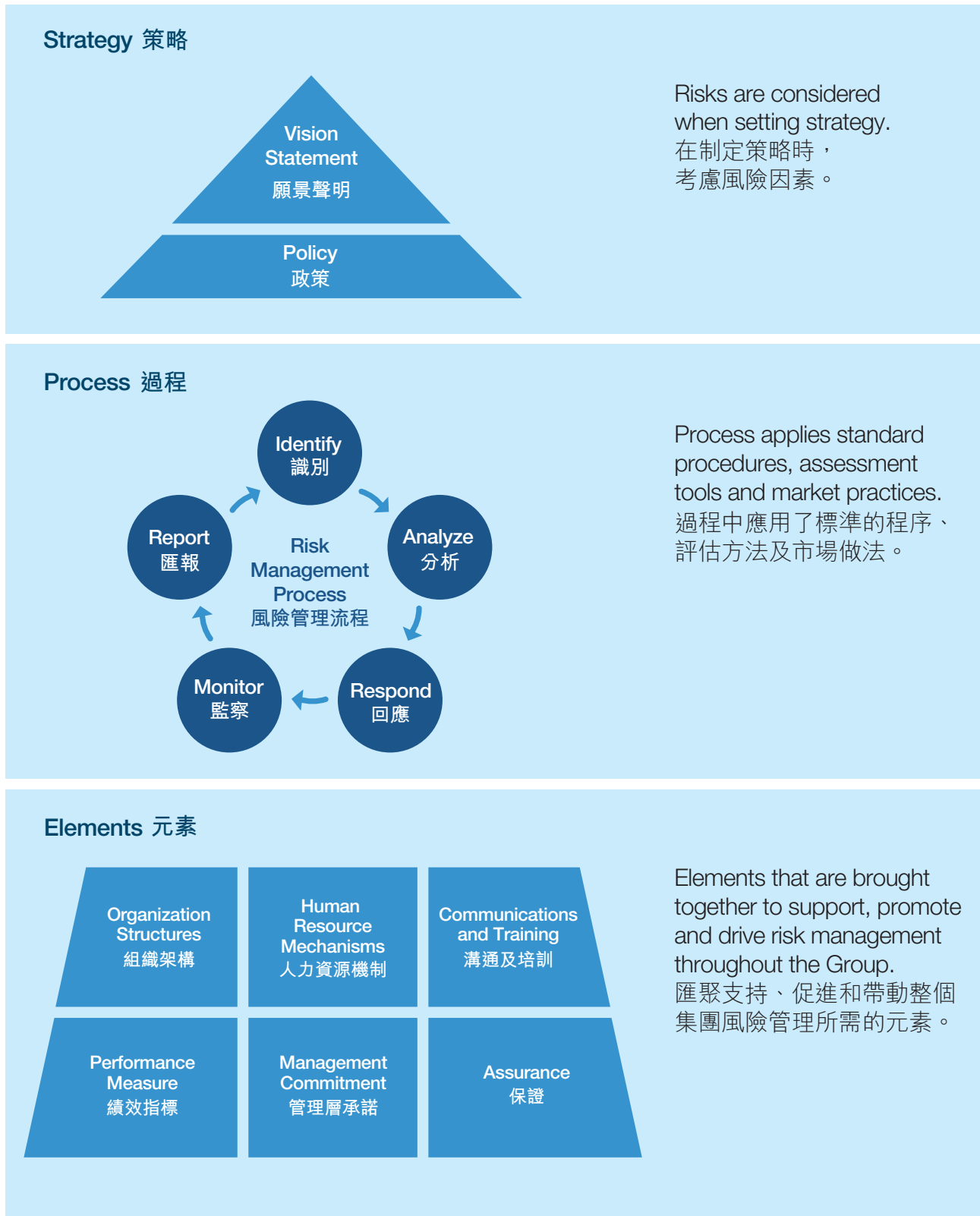
CORPORATE GOVERNANCE REPORT 企業管治報告

Risk Management Framework

The diagram below shows the risk management framework adopted by the Group:

風險管理框架

下圖展示本集團所採納的風險管理框架：



CORPORATE GOVERNANCE REPORT 企業管治報告

Risk assessment is performed to evaluate the nature and extent of the risks to which it is exposed. During the risk assessment process, the Group has identified principal and significant risks facing the Group. The risks are prioritised according to the likelihood of their occurrence and the significance of their impact on the businesses of the Group. The risk assessment results indicated limited changes in the nature and extent of the key significant risks identified by the Group since last year. Moreover, risk management measures are in place to manage the risks to an acceptable level.

To support management in responding to risks arising from the complex and changing business environment, regular training is provided to our management to strengthen their awareness of risk and capability to manage risks.

Review of Risk Management and Internal Control Systems

The Group's systems of internal control were developed by making reference to the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the United States in 2013 and the Guide on Internal Control and Risk Management issued by the Hong Kong Institute of Certified Public Accountants.

Business units are required to perform control self-assessments annually to assess the effectiveness of their systems of internal control. The control self-assessment performed is in the form of a questionnaire that sets out key factors in each of the five components of the COSO Internal Control Integrated Framework. These five interrelated components are Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

During the year, the Internal Control, Legal and Finance & Accounts Departments of PVI have carried out reviews on operational, financial and compliance controls of all operating subsidiaries to ensure their compliance with the Group's risk management and internal control policies and procedures and the accuracy of relevant reports submitted to the Group.

本集團進行風險評估去確定其所面對風險的性質及程度。在風險評估過程中，本集團能夠鑒定本集團面對的主要及重大風險。本集團已根據這些風險出現的機會及其對本集團業務的影響的嚴重性進行排序。風險評估結果顯示，本集團發現的主要重大風險的性質和範圍自去年以來變化不大，並且制定風險管理措施以維持風險在可接受的程度內。

面對複雜多變的經營環境，為了協助我們的管理層更好地應對風險和把握機遇，本公司定期向管理層提供相關的培訓，以增強其風險意識和管控風險的能力。

風險管理及內部監控系統的檢討

本集團的內部監控系統是參考美國Committee of Sponsoring Organizations of the Treadway Commission (COSO)於2013年編製之內部監控綜合框架及香港會計師公會頒佈之內部監控與風險管理指引所制定的。

各業務公司須每年進行內部監控自我評估，以評估本身內部監控系統的效能。內部監控自我評估是以問卷形式進行，問卷列出按COSO內部監控綜合框架的五個元素的主要成份。這五個互相關連的元素分別是監控環境、風險評估、監控活動、信息及溝通、以及監察。

年內，保華之內部監控、法律和財務及會計等部門已對所有已運作之附屬公司進行營運、財務及合規監控之檢討，以確保其符合本集團風險管理及內部監控的政策及程序，以及所提交的有關報告的準確性。

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Every year the Internal Audit Department of PYI carries out independent audits to evaluate the effectiveness of the Group's systems of risk management and internal control according to the approved three-year internal audit plan for the Group. This audit plan was determined using a risk-based approach and is re-assessed annually to ensure adequate audit resources are deployed to achieve the objectives of the internal audit plan.

Finally, management has formulated remedial action plans to address the gaps and weaknesses identified during control self-assessments, internal control reviews and internal audits. The PYI head office has conducted follow-up reviews periodically to ensure remedial actions are taken on a timely basis, and has reported the results of the follow-up reviews to the Audit Committee.

The Board has assessed the scope and quality of the Group's ongoing monitoring of the risk management and internal control systems. Based on the results of the control self-assessments performed by business units, the reviews performed by the Internal Control, Legal and Finance & Accounts Departments and the independent audits performed by the Internal Audit Department, the Board considered the risk management and internal control systems effective and adequate. The Board was not aware of any significant areas of concerns that may affect the Group to achieve its strategic goals.

Also, the Board has, through the Audit Committee, reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget, and was satisfied with the results of the review.

Procedures and Controls for the Handling and Dissemination of Inside Information

Proper measures have been taken by the Group to comply with the requirements under "Part XIVA — Disclosure of Inside Information" of the Securities and Futures Ordinance to ensure that inside information remains confidential until the disclosure of such information has been properly approved, and disseminate in an effective and consistent manner. Such measures include establishment of the inside information identification, reporting, and disclosure protocol and procedures. A review of the procedures and controls for the handling and dissemination of inside information was completed by the Internal Audit Department in the second quarter of 2018.

每年，保華之內部審計部門按已審批的三年期集團內部審計計劃，對本集團風險管理及內部監控系統的有效性作出獨立審計。這個審計計劃是以風險導向為基礎及每年重新作出檢討，以確保本集團已配置足夠的審計資源去達成審計計劃的目標。

最後，管理層已就內部監控自我評估、內部監控檢討和內部審計中所發現的漏洞及弱點制訂了改善方案。保華總部也定期作出跟進，以確保有關改善措施得以及時執行，並已向審核委員會匯報跟進審閱結果。

董事局已對集團持續監控風險的範圍和質量進行評估。基於各業務公司進行的內部監控自我評估、內部監控、法律和財務及會計等部門進行之檢討、以及內部審計部門已作出的獨立審計，董事局認為風險管理及內部監控系統有效及足夠。董事局並沒有察覺任何可能影響本集團實現其戰略目標的重大事項。

此外，董事局已透過審核委員會，對本集團在會計、內部審計及財務匯報職能的資源、員工的資歷及經驗，以及他們所接受的培訓及有關預算方面的充足性作出檢討，並對檢討結果表示滿意。

處理和披露內幕消息的程序和監控

本集團已採取適當措施，以符合證券及期貨條例《第XIVA部 — 披露內幕消息》的要求，確保內幕消息維持保密，直至披露此類消息得到適當的批准，並以有效率及一致的方式發佈該等消息。這些措施包括建立識別、匯報和披露內幕消息的機制與程序。內部審計部門已於2018年第二季度完成檢討處理和披露內幕消息的程序和監控。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL AUDIT

Internal Audit Department of PVI set up in November 2007 is headed by Group Internal Audit Senior Manager who reports directly to the Audit Committee of PVI. It plays an important role in the internal governance of the Group. With the assistance from external internal audit consultant, the Internal Audit Department is primarily responsible for conducting audit on the effectiveness of the Group's systems of risk management and internal control periodically.

The Internal Audit Department is independent from operational management and is fully empowered to access to data required in performing internal audit review. Moreover, the department comprises well qualified and capable staff and is provided with adequate resources to perform its duties.

Since 2008, internal audit assignments have been directed by an internal audit strategic plan approved by the Audit Committee. This strategic plan is developed by adopting risk-based approach for every three years and reviewed annually. In addition, ad hoc internal audit assignments will be performed on request by the management or assigned by the Audit Committee. In the past eleven years, the Internal Audit Department has executed three three-year internal audit strategic plans and the first two years of its fourth three-year plan.

During the process of audits, the Internal Audit Department identified internal control weakness, made recommendations for improvement, obtained remedial action plan of management and followed up remedial status of the management action plan and its timeliness. Besides, in order to ensure the continuity of the ISO9001 certification for the Group's corporate support centre in Hangzhou that provides in-house legal, internal audit, financial (including accounting data backup) and in-house training services to the Group's business units, the Internal Audit Department has performed internal audit review for the corporate support centre in compliance with the ISO9001 certification requirements.

內部審計

於2007年11月成立的保華內部審計部門乃由集團內部審計高級經理主管，並直接向保華審核委員會匯報。內部審計部門於本集團內部管治擔當重要角色，並在外聘的內部審計顧問的協助下，主要負責對本集團風險管理及內部監控系統的有效性定期作出審計。

內部審計部門獨立於營運管理，獲授予全權接觸需作內部審計檢查的資料；並由合乎資格及能力的員工組成，有足夠資源去履行其職責。

自2008年起，內部審計工作由審核委員會所批准的內部審計戰略計劃所指引，該計劃以風險為導向原則，每三年編製一次，並每年重新評估。同時，也會執行管理層所要求，或審核委員會所指示的臨時內部審計工作。在過去十一年中，內部審計部門已經執行了三個三年內部審計戰略計劃，以及執行了第四個三年計劃的首兩年內部審計工作。

在審計過程中，內部審計部識別內部監控弱點，提出改善建議，取得由管理層制定的改善方案，並對管理層的改善方案的落實情況及落實的及時性作出跟進。此外，為了確保本集團在杭州的企業支援中心向本集團各業務單位提供有關內部法律、內部審計、財務(包括會計數據備份)及內部培訓的服務繼續獲得ISO9001認證，內部審計部門對該企業支援中心進行內部審計，以審閱其ISO9001認證要求的符合性。

CORPORATE GOVERNANCE REPORT 企業管治報告

EXTERNAL AUDITOR

Deloitte Touche Tohmatsu (“Deloitte”) has been re-appointed as the Company’s external auditor at 2018 AGM until the conclusion of the next annual general meeting. The Audit Committee in its meeting on 20 June 2019 recommended the re-appointment of Deloitte as the Company’s external auditor at 2019 annual general meeting and the Board has adopted the same view as that of the Audit Committee.

In order to maintain independence, Deloitte is primarily responsible for providing audit services in connection with the Group’s consolidated financial statements, and only provides non-audit services that do not impair their independence or objectivity and are approved by the Audit Committee.

外聘核數師

德勤•關黃陳方會計師行(「德勤」)已於2018年股東週年大會上獲重新委任為本公司外聘核數師，直到下一屆股東週年大會結束為止。審核委員會於2019年6月20日之會議上建議在2019年股東週年大會上重新委任德勤為本公司外聘核數師，而董事局與審核委員會之意見一致。

為了保持其獨立性，德勤主要負責就本集團綜合財務報表提供核數服務，以及不會損害其獨立性或客觀性，並經由審核委員會批准的非核數服務。

REMUNERATION PAID OR PAYABLE TO DELOITTE FOR AUDIT AND NON-AUDIT SERVICES

已付或應付予德勤的核數及非核數服務酬金

Services Rendered	提供的服務	2019	2018
		HK\$'000 千港元	HK\$'000 千港元
Audit services	核數服務	3,185	3,139
Non-audit services	非核數服務		
Review of interim condensed consolidated financial statements	審閱中期簡明綜合財務報表	1,235	1,154
Taxation advisory	稅務諮詢	83	58
Special engagements	特定委聘	12	2,022
Total	總額	4,515	6,373

CONSTITUTIONAL DOCUMENTS

The Company’s memorandum of association and bye-laws (in both English and Chinese) are available on the websites of PYI (www.pyicorp.com) and HKEx.

No amendments have been made to the bye-laws of the Company during the year ended 31 March 2019.

組織章程文件

本公司之組織章程大綱及公司細則(中英文版本)上載於保華(www.pyicorp.com)及香港交易所之網站。

於截至2019年3月31日止年度期間，本公司並沒有修訂公司細則。