

# Corporate Governance Report

## Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

Throughout the year ended 30 June 2018, the Company complied with all the code provisions as set out in the CG Code, except for the deviation from code provisions A.5.1 and A.5.6 of the CG Code which are explained below.

### Code provision A.5.1

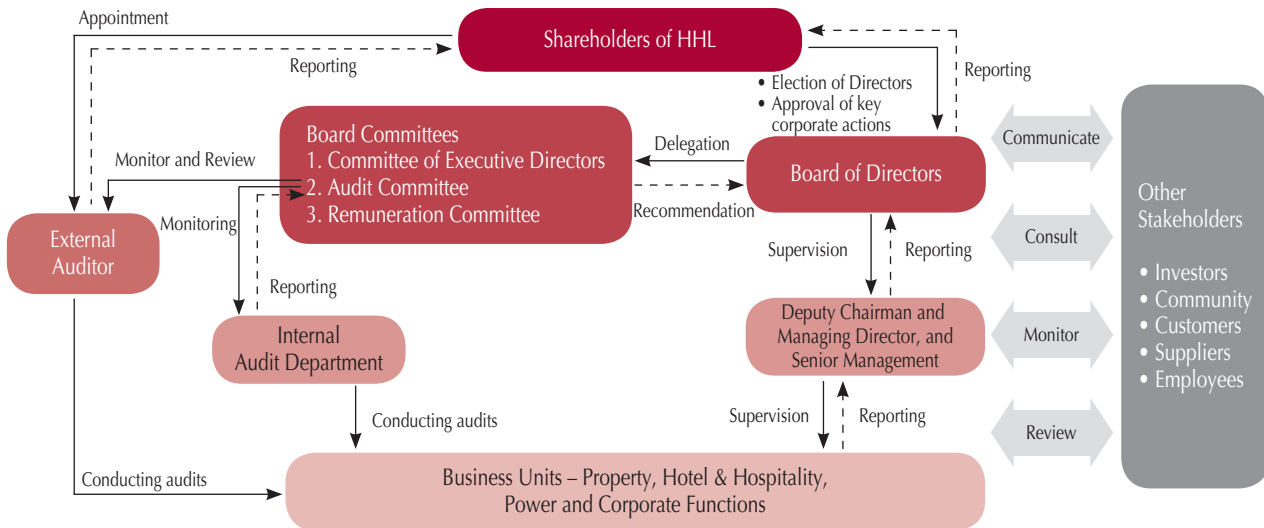
The Company does not consider it necessary to have a nomination committee as the Company already has the policies and procedures for selection and nomination of Directors in place. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size, composition and diversity. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the Deputy Chairman and Managing Director and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

### Code provision A.5.6

The Company does not consider it necessary to have a policy concerning diversity of board members. Board appointments are based on merit, in the context of the skills, experience and expertise that the selected candidates will bring to the Board. While the Company is committed to equality of opportunity in all aspects of its business and endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives, the Company does not consider a formal board diversity policy will provide measurable benefits to enhance the effectiveness of the Board.

# Corporate Governance Report

## Corporate Governance Structure



## Board of Directors

### The Board

The Company is managed through the Board which currently comprises seven Executive Directors (including the Chairman), three Non-executive Directors and five Independent Non-executive Directors. One-third of the Board are Independent Non-executive Directors. The names and biographical details of the Directors, and the relationship amongst them, if any, are set out on pages 11 to 20 of this Annual Report. The remuneration of the Executive Directors of the Company, who are regarded as senior management of the Company, are disclosed in note 14 to the consolidated financial statements.

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management. Some functions including, inter alia, the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder of the Company or Director, the approval of the interim and final results, other disclosures to the public or regulators, and risk management and internal control systems are reserved by the Board and the decisions relating to such matters shall be subject to the decision of the Board. Matters not specifically reserved to the Board and necessary for the daily operations of the Company are delegated to management under the supervision of the respective Directors and the leadership of the Deputy Chairman and Managing Director.

There are agreed procedures for the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

Non-executive Directors and Independent Non-executive Directors are selected with the necessary skills and experience to provide a strong independent element on the Board and to exercise independent judgement. At least one of the Independent Non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise as provided under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-executive Director a written annual confirmation of independence. The Board considers that all of the Independent Non-executive Directors are independent.

All Directors have given sufficient time and attention to the affairs of the Company during the year and have disclosed to the Company the major offices they held in public companies or organizations and other significant commitments.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

### **Chairman and Deputy Chairman and Managing Director**

Sir Gordon WU served as the Chairman of the Board throughout the year and is responsible for providing leadership and management of the Board. The role of the Chairman is separate from that of the Deputy Chairman and Managing Director. Mr. Thomas Jefferson WU (a son of Sir Gordon WU), the Deputy Chairman and Managing Director, is responsible for the day-to-day management of the business of the Company. The division of the responsibilities between the Chairman and the Deputy Chairman and Managing Director has been established and set out clearly in writing.

### **Appointment, Re-election and Removal**

All Non-executive Directors and Independent Non-executive Directors are appointed for a specific term of three years and are subject to retirement from office and re-election at least once every three years.

In accordance with the Articles of Association, all newly appointed Directors shall hold office until the next following general meeting of the Company after their appointment and shall then be eligible for re-election. Every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of (i) his/her last appointment by the Board, (ii) his/her last election at a general meeting of the Company or (iii) his/her last election at an annual general meeting of the Company, and shall be eligible for re-election subject to the provisions of the Articles of Association.

Newly appointed Director(s) will be given an induction on the information of the Group and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws.

# Corporate Governance Report

## Board Committees

The Board established the Committee of Executive Directors since September 1991 with delegated authority for reviewing and approving the day-to-day business operations and ordinary and usual course of business of the Company. This committee comprises all the Executive Directors.

The Company also established the Audit Committee and the Remuneration Committee to deal with the specific matters as set out below in the interest of all shareholders in an objective manner. Save that one member of the Remuneration Committee is a Non-executive Director, members of these two committees currently comprise Independent Non-executive Directors.

## Audit Committee

The Audit Committee comprises four Independent Non-executive Directors, namely Mr. Sunny TAN (Chairman), Ms. Linda Lai Chuen LOKE, Mr. Yuk Keung IP and Dr. Gordon YEN. The company secretary of the Company, or in her absence, her representative, serves as the secretary of the Audit Committee and draft and final versions of minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings.

At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. None of the members of the Audit Committee was a former partner of the Company's existing external auditor within one year immediately prior to the dates of their respective appointments. All members have appropriate skills and experience in reviewing financial statements as well as addressing significant control and financial issues of the Company.

The Board expects the members of the Audit Committee to exercise independent judgement and delegates the responsibilities of the corporate governance functions to the Audit Committee in order to comply with the requirements of the CG Code. Under the terms of reference of the Audit Committee, the corporate governance functions of the Board has been delegated to the Audit Committee to monitor, procure and manage corporate compliance within the Group.

Major roles and functions of the Audit Committee include:

- to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor
- to approve the remuneration and terms of engagement of the external auditor
- to review and monitor the external auditor's independence and objectivity
- to review the Group's financial controls, risk management and internal control systems on ongoing basis
- to review the interim and annual financial statements before submission to the Board
- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board
- to review and monitor the training and continuous professional development of Directors and senior management
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- to develop, review and monitor the code of conduct applicable to employees and Directors
- to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report
- to review arrangements for raising concerns about possible improprieties in financial reporting, internal control or other matters

Principal works performed during the year under review included:

- to consider and approve the remuneration and terms of engagement of the external auditor
- to review the annual financial statements for the year ended 30 June 2017 and the interim financial statements for the six months ended 31 December 2017
- to review the work performed by Internal Audit Department
- to review the Group's risk management and internal control systems and the adequacy of the financial/internal auditing resources and competency
- to review the Company's policies and practices on corporate governance

The terms of reference setting out the Audit Committee's authority and its duties are available on the websites of HHL and the Stock Exchange.

# Corporate Governance Report

## Remuneration Committee

The Remuneration Committee comprises three Independent Non-executive Directors namely, Mr. Yuk Keung IP (Chairman), Ms. Linda Lai Chuen LOKE and Dr. Gordon YEN and a Non-executive Director, Mr. Carmelo Ka Sze LEE. The head of Group Human Resources Department of the Company, or in her absence, her representative, serves as the secretary of the Remuneration Committee and draft and final versions of minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Major roles and functions of the Remuneration Committee include:

- to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; and the establishment of a formal and transparent procedure for developing remuneration policy
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives
- to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management
- to make recommendations to the Board on the remuneration of Non-executive Directors

Principal works performed during the year under review included:

- to review the level of Directors' fees and make recommendations to the Board on the Directors' fees for the year ended 30 June 2018
- to review and recommend on the remuneration packages of all Executive Directors for the year of 2018 and bonus payment for the year of 2017

The terms of reference setting out the Remuneration Committee's authority and its duties are available on the websites of HHL and the Stock Exchange.

## Attendance at Meetings

During the year under review, the attendance records of the Directors at Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, the 2017 Annual General Meeting and the Extraordinary General Meeting held on 8 February 2018 (“Extraordinary General Meeting”) are as follows:

Name of Directors	Number of meeting(s) attended/held				
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	2017 Annual General Meeting	Extraordinary General Meeting
<b>Executive Directors</b>					
Sir Gordon WU KCMG, FICE <i>Chairman</i>	6/6	N/A	N/A	1/1	1/1
Mr. Eddie Ping Chang HO <i>Vice Chairman</i>	6/6	N/A	N/A	1/1	1/1
Mr. Thomas Jefferson WU JP <i>Deputy Chairman and Managing Director</i>	6/6	N/A	N/A	1/1	1/1
Mr. Josiah Chin Lai KWOK <i>Deputy Managing Director</i>	6/6	N/A	N/A	1/1	1/1
Mr. Albert Kam Yin YEUNG	6/6	N/A	N/A	1/1	1/1
Mr. William Wing Lam WONG	6/6	N/A	N/A	1/1	1/1
Ir. Dr. Leo Kwok Kee LEUNG	6/6	N/A	N/A	1/1	1/1
<b>Non-executive Directors</b>					
Lady WU JP	6/6	N/A	N/A	1/1	0/1
Mr. Carmelo Ka Sze LEE JP	6/6	N/A	4/4	1/1	1/1
Mr. Guy Man Guy WU <sup>1</sup>	6/6	2/2	1/1	1/1	1/1
<b>Independent Non-executive Directors</b>					
Ms. Linda Lai Chuen LOKE	5/6	4/4	4/4	1/1	1/1
Mr. Sunny TAN	6/6	4/4	N/A	1/1	0/1
Dr. Gordon YEN <sup>2</sup>	6/6	2/2	4/4	1/1	1/1
Mr. Ahito NAKAMURA	4/6	N/A	N/A	1/1	0/1
Mr. Yuk Keung IP <sup>3</sup>	6/6	4/4	3/3	1/1	1/1

### Notes:

<sup>1</sup> re-designated from Independent Non-executive Directors and ceased as members of both Audit and Remuneration Committees on 26 January 2018

<sup>2</sup> appointed as members of both Audit and Remuneration Committees on 26 January 2018

<sup>3</sup> appointed as the Chairman of the Remuneration Committee on 26 January 2018

In addition, the Chairman of the Board held a meeting with the Non-executive Directors (including Independent Non-executive Directors) without the presence of Executive Directors in May 2018.

# Corporate Governance Report

## Induction Programme and Training for Board Members

A comprehensive, formal and tailored induction programme on key areas of business operations and practices of the Company is given to newly appointed Board members by management of the Company. A Guide on Directors' Duties published by the Companies Registry and/or a Guide for Independent Non-executive Directors published by The Hong Kong Institute of Directors (in case of Independent Non-executive Director(s)) has/have been sent to each Director for his/her information and ready reference.

During the year under review, the Company provided to the Directors briefings, regular updates and presentations on changes and developments to the Group's business and operations, and on the latest developments in the Listing Rules and other applicable laws, rules and regulations relating to Directors' duties and responsibilities.

Directors' training is an ongoing process. All Directors are encouraged to attend relevant training courses to enrich their knowledge in discharging their duties as a director.

To summarise, the Directors received trainings on the following areas to update and develop their skills and knowledge during the year under review:

Name of Directors	Corporate Governance	Legal and Regulatory	Group's Businesses
<b>Executive Directors</b>			
Sir Gordon WU KCMG, FICE	✓	✓	✓
Mr. Eddie Ping Chang HO	✓	✓	✓
Mr. Thomas Jefferson WU JP	✓	✓	✓
Mr. Josiah Chin Lai KWOK	✓	✓	✓
Mr. Albert Kam Yin YEUNG	✓	✓	✓
Mr. William Wing Lam WONG	✓	✓	✓
Ir. Dr. Leo Kwok Kee LEUNG	✓	✓	✓
<b>Non-executive Directors</b>			
Lady WU JP	✓	✓	✓
Mr. Carmelo Ka Sze LEE JP	✓	✓	✓
Mr. Guy Man Guy WU	✓	✓	✓
<b>Independent Non-executive Directors</b>			
Ms. Linda Lai Chuen LOKE	✓	✓	✓
Mr. Sunny TAN	✓	✓	✓
Dr. Gordon YEN	✓	✓	✓
Mr. Ahito NAKAMURA	✓	✓	✓
Mr. Yuk Keung IP	✓	✓	✓



## **Company Secretary**

The Company Secretary is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. She is also responsible for ensuring that the Board is fully apprised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of Directors.

The Company Secretary reports to the Chairman and the Deputy Chairman and Managing Director, plays an essential role in the relationship between the Company and its shareholders, and assists the Board in discharging its obligations to shareholders pursuant to the Listing Rules.

Ms. Ching Fan KOO (“Ms. KOO”) of Fair Wind Secretarial Services Limited, an external service provider, has been engaged by the Company as its Company Secretary. The primary contact person of the Company with Ms. KOO is Mr. Josiah Chin Lai KWOK, the Deputy Managing Director. Ms. KOO attended no less than 15 hours of relevant professional training during the year under review.

## **Accountability and Audit**

### **Financial Reporting**

The Directors recognise the responsibility for preparing the consolidated financial statements of the Group. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties relating to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

During the year under review, all Directors have been provided, on a monthly basis, with the Group’s updates giving a balanced and understandable assessment of the Group’s performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the relevant requirements of the Listing Rules.

### **External Auditor and their Remuneration**

The Company’s external auditor is Deloitte Touche Tohmatsu. The responsibilities of the auditor with respect to the financial reporting are set out in the Independent Auditor’s Report on pages 91 to 95 of this Annual Report. The independence of the external auditor is monitored by the Audit Committee which is primarily responsible for making recommendations to the Board on the appointment of the external auditor as well as approving their terms of engagement and remuneration. Apart from the statutory audit of the Group’s consolidated financial statements, Deloitte Touche Tohmatsu was also engaged to perform a review on the interim financial information of the Company for the six months ended 31 December 2017, and perform services in respect of the Group’s HHI Disposal during the year.

# Corporate Governance Report

During the year ended 30 June 2018, the fees payable by the Group to the external auditor in respect of audit and non-audit services provided by them were as follows:

	HK\$'000
Audit services	3,900
Non-audit services:	
Interim review	921
Others	680
<b>Total</b>	<b>5,501</b>

## Risk Management and Internal Controls

The Board is of the opinion that sound risk management and internal control systems will help achieve the Group's business objectives, safeguard the Group's assets and contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations. To this end, the Group commits to implement the risk management and internal control systems compatible with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standards to provide reasonable, though not absolute, assurance against material misstatement or loss.

## Roles and Responsibilities

The Board acknowledges its overall responsibility for the Group's risk management and internal control systems and for overseeing its effectiveness on an on-going basis through the Audit Committee which reports to the Board, when necessary, during the quarterly regular Board meetings. Executive Directors and management teams are delegated the roles of designing and maintaining an environment where managing risks forms the base of all activities.

Evaluation of the Group's risk management and internal control systems, including its effectiveness, proper functioning and compliance with internal policies and external regulations, is independently and consistently conducted by the Internal Audit Department for principal operations.

## Risk Management and Internal Control Framework

Under the Risk Management Policy approved by the Board in 2013 and updated in 2016, the Group strives to ensure that risk management and internal controls are integrated into the normal business processes and aligned with the strategic goals of the Group. This risk management and internal control framework of the Group, integrating the principles of the COSO model, is highlighted as follows:

### Control Environment

The Group, committed to ethical values, believes that honesty, integrity and fair play are its important assets in doing business. Such belief is realized through the Group's Code of Conduct under which employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. To enhance the Group's internal control mechanism and the awareness of corporate justice, a Whistle Blowing Policy has also been in force since 2012. The Policy provides a platform for employees raising serious concerns internally, without fear of reprisal or victimization, in a responsible and effective manner.

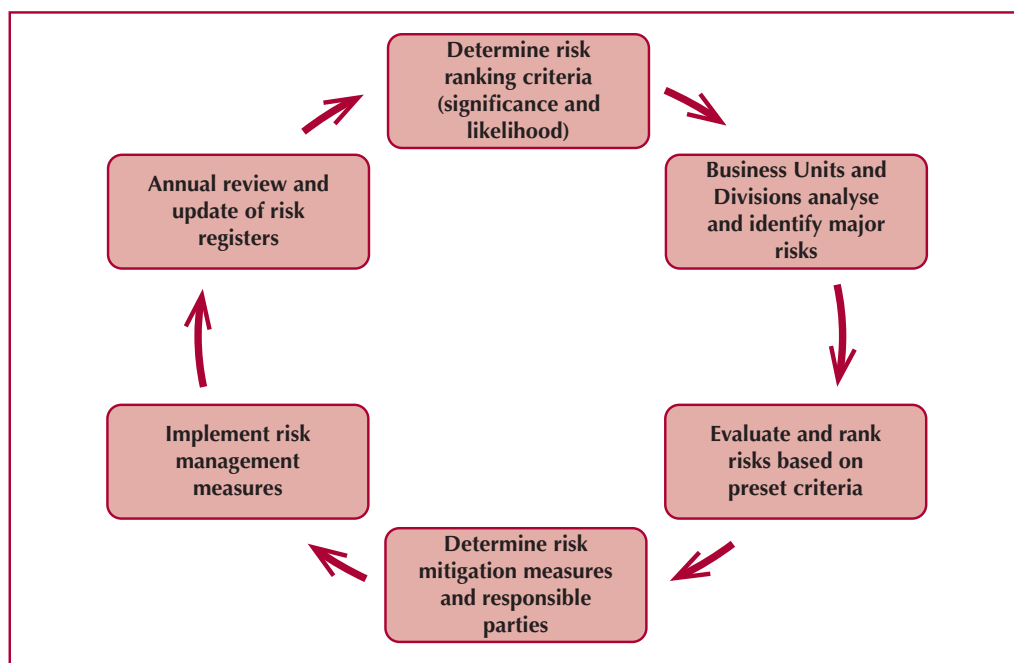
The Board, as the top strategy and policy setting body of the Group, provides oversight to the Group's management under the leadership of the Deputy Chairman and Managing Director. Clear corporate governance structure (as depicted on page 62 of our Corporate Governance Report) and reporting lines have been established with responsible parties held accountable for their own assigned areas.

### Risk Assessment

A holistic risk management framework is adopted across the Group for:

- (a) Identifying, communicating, mitigating and escalating major risk issues;
- (b) Incorporating risk management principles and objectives into strategic, operational and resource planning activities; and
- (c) Designing and implementing an effective and efficient operation, enabling the Group to respond to a variety of risks.

The Group's ongoing risk assessment program encompasses the following key steps:



# Corporate Governance Report

## *Control Activities/Information and Communication*

Internal control procedures of the Group include a comprehensive budgeting, information reporting and performance monitoring system.

Business plans and budgets, taking into consideration significant business risks, are prepared annually by the management of each business unit for the review and approval by the Executive Directors. These plans and budgets are then reviewed periodically against actual performance for validity and adjustments. Various policies and procedures have been established for the approval and control of operating expenses, capital expenditures, project investments, unbudgeted items and acquisitions.

The Executive Directors review monthly management reports and hold periodical meetings with the senior operational and finance management to discuss business performance, budget variances, forecasts, market outlooks, and to address any operation and finance related matters.

Annually, senior management of business units conducts a self-assessment on their compliance with the Group policies, relevant regulations and the fulfillment of their risk management and internal control duties. A confirmation is then completed and submitted to the Audit Committee and reported to the Board.

## *Monitoring Activities*

The Board, through the Audit Committee, oversees the risk management and internal controls of the Group, with assistance from external and internal auditors. External auditors inform management and the Audit Committee on the operation of financial controls reviewed as part of the statutory audits. Findings and risk concerns of internal auditors are raised to responsible management for rectification with significant items reported to the Audit Committee at least four times every year. Implementation status of audit findings would also be followed up by the Internal Audit Department and reported to the Audit Committee.

## **FY18 Risk Management and Internal Control Review**

During the year under review, the Board, through the Audit Committee, has consistently reviewed the effectiveness and proper functioning of the Group's internal control and risk management systems, financial reporting and rules/regulations compliance. The review also covered the adequacy of the financial/internal auditing resources and competency. No major exception was noted.

## Key Risk Profile of the Group

Based on the risk assessment conducted for FY18, while the Group continued to face various operating risks such as construction project completion especially for Hopewell Centre II, talent management, labour shortage and technological challenges, impacts from the macro environment contributed to the most highly-ranked risks of the Group's main business segments:

- (a) Property — investment properties, property for sales and properties under development
- (b) Hospitality — hotels, catering and restaurants

The key risks thus identified and their trends are further illustrated as follows:

Risk Category	Risk Description	Business Segment	Risk Change in FY18
Economic and Financial	Revenue/profit reduction due to economic downturn, trade protectionism, negative developments in financial and property markets, credit crunch, refinancing risks, currency fluctuations and interest rate increases (in particular for RMB and USD)	Property	↑
		Hospitality	↑
Regulatory and Political	Political instability and unfavourable government policies	Property	↑
		Hospitality	↔
Commercial	Market risks resulting from increasing global and local competition, reduced demand, heightened customer expectation and price sensitivity, unfavourable changes in the demographics of our main operating districts	Property	↑
		Hospitality	↑

Remarks:



*Inherent risks (risks before mitigation measures) increasing*



*Inherent risks remain stable*

# Corporate Governance Report

## Business Ethics

The Company considers ethical corporate culture and employees' honesty and integrity to be important assets and endeavours to comply with the laws and regulations of the countries in which we operate. All Directors and employees are required to act responsibly to ensure that the reputation of the Company is not tarnished. To uphold a high standard of integrity in all aspects of everyday activities, the Company adopts a Code of Conduct which provides employees with a set of defined ethical standards for adherence. The Code of Conduct is posted on the Company's intranet for observance by all staff. The heads of Business Units, through the Human Resources Department, are charged with the responsibility of disseminating the Code of Conduct to the employees concerned.

## Remuneration Policy

The Company recognises the need to implement a competitive remuneration policy in order to attract, retain and motivate the Directors and senior management to achieve the corporate targets. The remuneration package of the Executive Directors comprises some fixed elements: basic salary, mandatory provident fund contribution and other benefits including medical cover, as well as discretionary bonus, share options and/or share awards which are performance related elements. No Director is allowed to approve his/her own remuneration.

The fixed elements of the Executive Directors' remuneration are reviewed annually by reference to the job nature, responsibilities, experience and performance of the individual as well as prevailing market salary practices. Directors' fees for the current financial year were approved by the shareholders at the 2017 Annual General Meeting.

## Inside Information Policy

The Board has adopted the Inside Information Policy setting out the guidelines to the Directors and all employees of the Group to ensure that inside information can be promptly identified, assessed and disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations.

## Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the year under review.

## Shareholders

### Communication with Shareholders

The Company recognises the importance of communication with shareholders of the Company, both individual and institutional, as well as potential investors. The Board has adopted the Shareholders Communication Policy setting out the provisions with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable the shareholders to exercise their rights in an informed manner, and to allow the shareholders and potential investors to engage actively with the Company. The Shareholders Communication Policy is posted on the website of HHL.

### Disclosure of Information on HHL Website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and as timely as possible. The Company maintains a corporate website at [www.hopewellholdings.com](http://www.hopewellholdings.com) where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, circulars, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders. When reports, announcements and other corporate communications are made through the Stock Exchange, the same is also made available on the website of HHL.

### Annual General Meeting

The Company's annual general meeting is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to communicate face to face with the Directors about the Company's performance and operations. It has been the practice for all the Directors (including the Chairman) and the chairmen of the Audit Committee and the Remuneration Committee together with the external auditor of the Company to attend the annual general meetings to answer shareholders' questions. The 2017 Annual General Meeting was held at The Glass Pavilion, 3/F., KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 26 October 2017. The 2018 Annual General Meeting has been scheduled to be held on 31 October 2018.

### Investor Relations

Committed to upholding sound corporate governance practices, the Company believes that good communications with the market and shareholders as well as transparency are of high priority.

# Corporate Governance Report

As an important component to engage market participants, the Company's open and effective communications with the investment community is well-recognised. Proactive investor relations program was continued during the year under review. Subsequent to interim and annual results announcements, conference calls with investors, analysts and media were held with the attendance of senior management team to answer queries. To further facilitate exchange of opinions, the Company regularly attended investor meetings, roadshows, and conferences engaging both local and overseas investors and analysts. In addition, enquiries from investors and analysts were also handled in a timely manner.

Achieving a high level of transparency, the Company kept its website updated by publishing essential corporate information including company announcements, press releases and financial reports on a timely and accurate basis. As a result, investors could keep track of the latest updates of the Company's business and financial performance.

Going onward, the Company will continue to advocate its high level of corporate governance framework, aiming to enhance market confidence and maximise shareholders' value. Investors can direct any comment or enquiry to the Company's investor relations team at [ir@hopewellholdings.com](mailto:ir@hopewellholdings.com).

During the year under review, there was no significant change in the Company's constitutional documents.

## Shareholders' Rights

The Company recognises the significance and importance of having a governance framework that protects shareholders' rights.

### Voting by poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the Company's shareholders at each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the websites of HHL and the Stock Exchange on the same day of the poll.



### **Convening of an extraordinary general meeting on requisition by shareholders**

In accordance with Sections 566 to 568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) representing at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings of the Company, may request the Directors to convene an extraordinary general meeting. The written requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The requisition may consist of several documents in like form, and each must be authenticated by the shareholder(s) concerned, which must be deposited at the registered office of the Company at 64th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for the attention of the Company Secretary.

If the Directors do not within 21 days after the date on which they become subject to the requirement call a general meeting to be held on a date not more than 28 days after the date of the notice convening the meeting, the shareholder(s) concerned or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting, provided that such general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a meeting.

The meeting convened by the shareholder(s) shall be called in the same manner, as nearly as possible, as that in which that general meeting is required to be called by the Directors.

### **Procedures for directing shareholders' enquiries to the Board**

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department whose contact details are as follows:

Investor Relations Department  
Hopewell Holdings Limited  
64th Floor, Hopewell Centre,  
183 Queen's Road East,  
Wan Chai, Hong Kong  
Email: [ir@hopewellholdings.com](mailto:ir@hopewellholdings.com)  
Tel No. : (852) 2528 4975  
Fax No. : (852) 2529 8602

Company Secretarial Department, Corporate Communications Department and Investor Relations Department of the Company handle both telephone and written enquiries from shareholders from time to time.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board committees of the Company, where appropriate, to answer the shareholders' questions.

# Corporate Governance Report

## **Procedures for putting forward proposals at general meetings by shareholders**

Shareholders are requested to follow sections 580 and 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for putting forward proposals at general meetings. Shareholder(s) of the Company representing at least 2.5% of the total voting rights of all shareholders who have a relevant right to vote at the general meeting, or at least 50 shareholders of the Company who have a relevant right to vote at the general meeting, may request in writing the Company to circulate a notice of a resolution that may properly be moved and is intended to be moved at the general meeting; and to circulate the statements regarding the resolution proposed at the general meeting. The requisition must be authenticated by the Company's shareholder(s) concerned and should be deposited at the registered office of the Company at 64th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for the attention of the Company Secretary where, (i) in the case of a requisition for the circulation of resolution to be moved at an annual general meeting, the requisition must be received by the Company not later than 6 weeks before the annual general meeting; or (ii) in the case of a requisition for the circulation of statements regarding resolutions proposed at a general meeting, such requisition must be received by the Company not later than 7 days before the general meeting.

Pursuant to Article 107 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meetings unless (a) he/she is recommended by the Board for election; or (b) a shareholder of the Company shall have given notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been given to the Company in the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as Director is posted on the website of HHL.