

# Our commitment to good governance

The Board and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence.

Our corporate governance practices adopted during the first six months of 2015 are in line with those practices set out in our 2014 Annual Report and on our corporate website ([www.lifung.com](http://www.lifung.com)).

## The Board

The Board comprises three Executive Directors, one Non-executive Director and four Independent Non-executive Directors. Details of the composition of the Board are set out in the Corporate information section on page 2.

Since 1 January 2015, the following changes in the Board and Board committees have occurred:

- Effective from the conclusion of the 2015 Annual General Meeting held on 21 May 2015, Professor Franklin Warren McFarlan retired by rotation as an Independent Non-executive Director and accordingly ceased to be a member of the Audit Committee, Nomination Committee and Remuneration Committee. In addition, Victor Fung Kwok King, Honorary Chairman and Non-executive Director, resigned as a member of Nomination Committee.
- Jason Yeung Chi Wai, Group Chief Compliance & Risk Management Officer, was appointed as a member of the Risk Management and Sustainability Committee on 1 July 2015.

Further details of changes in the information of our Directors are set out in the Other information section on page 31.

## Board and Committee Meetings to Date in 2015

	Number of Meetings	Average Attendance Rate
Board	4	97%
Nomination Committee	3	100%
Audit Committee	3	100%
Risk Management and Sustainability Committee	3	100%
Remuneration Committee	2	100%

## **Review of Interim Financial Information**

The Audit Committee has reviewed the interim financial information for the six months ended 30 June 2015 for the Board's approval.

## **Risk Management and Internal Control**

Details of our risk management and internal control processes are set out in the Our approach to risk management section on pages 48 to 53 of our 2014 Annual Report, a copy of which is available on our website.

Based on the respective assessments made by management and the corporate governance division responsible for internal audit activities, the Audit Committee considered that for the first six months of 2015:

- The risk management and internal controls and accounting systems of the Company remain in place and functioning effectively, and are designed to provide reasonable but not absolute assurance that material assets are protected, business risks attributable to the Company are identified and monitored, material transactions are executed in accordance with management's authorization and the interim financial information is reliable for publication.
- An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Company.

## **Compliance with the Corporate Governance Code**

The Board reviewed the Company's corporate governance practices and is satisfied that it has been in full compliance with all of the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the first six months of 2015.

## **Directors' and Relevant Employees' Securities Transactions**

The Company adopts stringent procedures governing Directors' securities transactions in compliance with the Model Code. Relevant employees who are likely to be in possession of unpublished price-sensitive information ("Inside Information") of the Group are also subject to compliance with written guidelines in line with the Model Code. Specific confirmation of compliance has been obtained from each Director for the interim reporting period and no incident of non-compliance by Directors and relevant employees was noted.

We continue to comply with our policy on Inside Information in compliance with our obligations under the SFO and Listing Rules.