



WINOX

WINOX HOLDINGS LIMITED

盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

(the “Company”)

CORPORATE GOVERNANCE POLICY

(Adopted by the Board of Directors on 30 March 2012)

(As amended by the Board of Directors on 21 August 2017)

(As amended by the Board of Directors on 29 August 2022)

INTRODUCTION

1. The board of directors (the “Board”) represents shareholders in managing the affairs of the Company with a mission of maximizing the shareholders’ investment return and promoting the Company’s long-term value.
2. The Board shall formulate the Company’s operational strategies and management policy and establish a good corporate governance and internal control system to ensure proper management of the Company’s business.
3. This Corporate Governance Policy (the “Policy”) has been formulated based on Appendix 14 Corporate Governance Code (the “Code”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
4. This Policy outlines certain essential corporate governance principles in accordance with the Code and is intended to give appropriate guidance on how the corporate governance principles are applied and promoted in the Company.

PRINCIPLES

5. This Policy is formulated in accordance with the following principles:
 - 5.1 Lay solid foundations for management and oversight –recognize and publish the respective roles and responsibilities of the Board and the management.
 - 5.2 Structure the Board to add value –have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.
 - 5.3 Promote ethical and responsible decision making –actively promote ethical and responsible decision making.
 - 5.4 Safeguard integrity in financial reporting –have a structure to independently verify and safeguard the integrity of the Company’s financial reporting.
 - 5.5 Make timely and balanced disclosure –promote timely and balanced disclosure of all material matters concerning the Company.
 - 5.6 Respect the rights of shareholders –respect the rights of shareholders and facilitate the effective exercise of those rights.
 - 5.7 Recognize and manage risk –establish a sound system of risk oversight and management of internal control.
 - 5.8 Encourage enhanced performance – fairly review and actively encourage the improvement of the effectiveness of the Board and the management.
 - 5.9 Remunerate fairly and responsibly – ensure that the level and composition of remuneration is sufficient and reasonable, and its relationship to corporate and individual performance is defined.

BOARD OF DIRECTORS

6. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders to whom they are responsible. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company’s circumstances and ensure processes and procedures are in place to achieve the Company’s corporate governance objectives.

Composition

7. The Board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgments.
8. The Board should conduct regular annual reviews on the following aspects of the Board: the composition of the Board, the implementation and effectiveness of board diversity policy, the professional skills required by and the diversity of knowledge and experience of the executive, non-executive and independent non-executive directors, in order to respond to the business needs of the Company and to achieve its complementarities.
9. The Company shall appoint independent non-executive directors representing at least one-third of the Board.
10. The Company shall establish mechanism(s) to ensure independent views and input are available to the Board and disclose such mechanism(s) in its Corporate Governance Report. The Board should review the implementation and effectiveness of such mechanism(s) on an annual basis.

The mechanisms to ensure independent views and input are provided to the Board include:

10.1 Board and committees' structure

There is separation of the role of the board chairman and the chief executive to ensure that there is a balance of power and authority. Members of most of committees are independent non-executive directors.

10.2 Appointment of independent non-executive directors

In assessing suitability of the candidates, the nomination committee will review their profiles, including their qualification and time commitment, having regard to the Board's composition, the directors' skill matrix, the list of selection criteria approved by the Board, the nomination policy and the board diversity policy.

10.3 Annual review of independent non-executive directors' commitment and independence

The Company reviews annually each director's time commitment to Company's business. Independent non-executive directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

10.4 Professional advice

To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the company secretary as well as from independent professional advisers at the Company's expenses.

10.5 Board evaluation

The quality and efficiency of discussions at board meetings are assessed during the evaluation of the Board's performance.

Duties of directors

11. General duties

11.1 Every director should ensure that he can give sufficient time and attention to the affairs of the Company. The Board shall regularly review the contribution required from a director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.

11.2 All directors should participate in continuous professional development to develop and refresh their knowledge and skills to help ensure that their contributions to the Board remain informed and relevant. The Company shall be responsible for arranging and funding training, placing an appropriate emphasis on the roles, function and duties of the directors.

11.3 The Board should present a balanced, clear and understandable assessment in annual and interim reports, other price-sensitive announcements and other financial disclosures by the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.

11.4 Duties of directors as enlisted in “Non-statutory Guidelines of Directors’ Duties” issued by the Companies Registry are summarized as follows:

- 11.4.1 Duty to act in good faith for the benefit of the company as a whole.
- 11.4.2 Duty to use powers for a proper purpose for the benefit of members as a whole.
- 11.4.3 Duty not to delegate powers except with proper authorization and duty to exercise independent judgment.
- 11.4.4 Duty to exercise care, skill and diligence.
- 11.4.5 Duty to avoid conflicts between personal interests and interests of the company.
- 11.4.6 Duty not to enter into transactions in which the directors have an interest except in compliance with the requirements of the law.
- 11.4.7 Duty not to gain advantage from use of position as a director.
- 11.4.8 Duty not to make unauthorised use of company’s property or information.
- 11.4.9 Duty not to accept personal benefit from third parties conferred because of position as a director.
- 11.4.10 Duty to observe the company’s constitution and resolutions.
- 11.4.11 Duty to keep accounting records.

12 Corporate governance duties

12.1 The Board should be responsible for performing the corporate governance duties.

12.2 The terms of reference of the Board are as follows:

- 12.2.1 to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- 12.2.2 to review and monitor the training and continuous professional development of directors and senior management;
- 12.2.3 to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- 12.2.4 to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- 12.2.5 to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

Role of directors

13. Role of chairman

- 13.1 The chairman should ensure that all directors are properly briefed on issues arising at board meetings.
- 13.2 The chairman should be responsible for ensuring that directors receive adequate information, which must be complete and reliable, in a timely manner.
- 13.3 One of the important roles of the chairman is to provide leadership for the Board. The chairman should ensure that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner.
- 13.4 The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate such responsibility to a designated director or the company secretary.
- 13.5 The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.

- 13.6 The chairman should encourage all directors to make full and active contributions to the Board's affairs and take the lead to ensure that the Board acts in the best interests of the Company.
- 13.7 The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present, if applicable.
- 13.8 The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and views of shareholders are communicated to the Board as a whole.
- 13.9 The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

14 Role of non-executive directors (including independent non-executive directors)

- 14.1 Every director is required to keep abreast of his responsibilities as a director of the Company and the way the Company operates, business activities and development of the Company. Non-executive directors have the same duties of care and skill and fiduciary duties as executive directors.
- 14.2 Independent non-executive directors and non-executive directors, as equal board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.
- 14.3 Independent non-executive directors and non-executive directors should make positive contributions to the development of the Company's strategies and policies through independent, constructive and informed comments.

14.4 The functions of non-executive directors should include:

- 14.4.1 participating in board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- 14.4.2 taking the lead where potential conflicts of interests arise;
- 14.4.3 serving on the audit, remuneration, nomination and other governance committees, if invited; and
- 14.4.4 scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

Appointment and re-election

- 15. The Company shall establish a nomination committee. A majority of the members of the nomination committee should be independent non-executive directors.
- 16. Chairman of the nomination committee shall either be the chairman of the Board or an independent non-executive director.
- 17. The terms of reference of the nomination committee are available on the Company's website.
- 18. The appointment of a new director is a matter for consideration by the nomination committee and decision by the Board.
- 19. Every newly appointed director of the Company should receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such briefing and professional development necessary to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.
- 20. Non-executive directors (including independent non-executive director) should be appointed for a specific term, subject to re-election.

21. All directors appointed to fill a casual vacancy on or as an addition to the Board should be subject to election by shareholders at the first annual general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.
22. The nomination committee should be provided with sufficient resources to discharge its duties. Where necessary, the nomination committee should seek independent professional advice, at the Company's expenses, to perform its responsibilities.

Remuneration

23. The Company shall establish a remuneration committee. A majority of the members of the nomination committee should be independent non-executive directors.
24. The chairman of the remuneration committee shall be an independent non-executive director.
25. The directors' fees are subject to shareholders' approval at general meetings. Other emoluments, as recommended by the remuneration committee, shall be determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group. No director should be involved in deciding his/her own remuneration.
26. The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and should have access to independent professional advice if necessary.
27. The terms of reference of the remuneration committee are available on the Company's website.
28. The remuneration committee should be provided with sufficient resources to discharge its duties.
29. The Company should disclose the directors' remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in its annual reports.

Board meetings

30. The Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected that such regular board meetings will normally involve the active participation, either in person or through other electronic means of communication, of a majority of directors entitled to be present. Accordingly, a regular meeting does not include the practice of obtaining the Board's consent through the circulation of written resolutions.
31. Draft agenda should be sent to all directors such that they are given an opportunity to include matters in the agenda for regular board meetings.
32. Notice of regular meeting should be sent to all directors at least 14 days in advance to give all directors an opportunity to attend. Short notice will be accepted in exceptional circumstances.
33. Physical board meeting rather than written resolutions shall be held if there is a conflict of interest. Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and the directors shall abstain from voting when necessary.
34. All directors should have access to the advice and services of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.
35. Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and such minutes should be open for inspection at any reasonable time on reasonable notice by any director.
36. Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of board meetings should be sent to all directors for their comment and records respectively, in both cases within a reasonable time after the board meeting is held.

37. There should be a procedure agreed by the Board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board should resolve to provide separate independent professional advice to directors to assist them to perform their duties to the Company.
38. The Company shall develop an appropriate guideline to avoid conflict of interest between the Company and the directors. In particular, directors must abstain from voting on any board resolution in which they or any of their associates have a material interest and that they shall not be counted in the quorum.

Delegation by the Board

39. The Board has the power to appoint management and delegate to them such powers on such terms as it deems appropriate. The Board may revoke such delegation by altering the terms of the delegation or replacing the management.
40. The following matters shall be reserved exclusively for the decision of the Board:
 - 40.1 Formulating the Company's business strategies.
 - 40.2 Establishing corporate governance and internal control system.
 - 40.3 Monitoring performance of management and providing guidance to the management.
 - 40.4 Decision in respect of any change or modification of any constitution documents of the Company.
 - 40.5 Sale and purchase of the material assets except for transactions within the Group.
 - 40.6 Any related party transaction with or relating to the Group companies and/or a shareholder or its affiliates.
 - 40.7 The provision of financing to any third party (other than a Group company).
 - 40.8 The entry into any guarantee or the granting of any security and/or pledge by the Company in favour of any third party (other than a Group company).

40.9 The opening of any bank accounts by the Company.

40.10 The authorisation, issuance and redemption of equity or securities (including options and convertible securities) of any Group company.

40.11 The approval of any dividend payment by the Company.

40.12 Any decision relating to the entering into bankruptcy, insolvency, winding-up, administration, arrangement, reorganisation, adjustment, protection or relief of debtors or any equivalent or analogous proceedings by the Company.

40.13 Appointment of senior employees of the Company and the granting of any remuneration or benefits to any senior management of the Company.

41. The duties of the management include but not limited to:

41.1 The establishment and location of any offices of any Group company.

41.2 Execution of business strategies and initiatives adopted by the Board.

41.3 Implementation of adequate systems of internal controls and risk management procedures.

41.4 Compliance with relevant statutory requirements and rules and regulations.

42. The Board shall review the above delegation arrangements from time to time to ensure that they remain appropriate to the needs of the Company.

43. The Company may establish board committees who shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

Supply of and access to information

44. Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as directors of the Company.

45. Management should provide sufficient explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval.
46. Management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.
47. For regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).
48. Management has an obligation to supply the Board and board committees with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable. To fulfil their duties properly, directors may not, in all circumstances, be able to rely purely on information provided voluntarily by management and they may need to make further enquiries. Where any director requires more information than is volunteered by management, that director should make further enquiries where necessary. As such, the Board and each director should have separate and independent access to the Company's senior management.
49. All directors are entitled to have access to board papers and related materials. These papers and related materials should be in a form and quality sufficient to enable the Board to make informed decisions on matters placed before it. Queries raised by directors should receive a prompt and full response, if possible.

Directors' securities transactions

50. The Company has adopted the Model Code for Securities Transactions by Directors of Listing Issuers contained in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of directors and employees (the "Code of Conduct").

51. Directors must comply with their obligations under the Code of Conduct when dealing in the securities of the Company. In particular, prior to any dealing in the securities of the Company, directors are required to notify the chairman of the Company in writing and after obtain a written acknowledgement from the chairman to proceed with the said buying and selling. For the chairman, he is required to notify the vice-chairman in writing, and proceed to the buying and selling upon receipt of a written acknowledgement.

RISK MANAGEMENT AND INTERNAL CONTROL

52. The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to environmental, social and governance (ESG). The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board and the audit committee on the effectiveness of these systems.
53. The Board and the audit committee should oversee the Company's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is conducted at least annually and report to shareholders that it has done so in Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls and risk management functions.
54. The Board's annual review should, in particular, consider:-
- (a) the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions;
 - (b) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), the Company's ability to respond to changes in its business and the external environment;

- (c) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;
- (d) the extent and frequency of communication of monitoring results to the Board (or board committee(s)) which enables it to assess control of the Company and the effectiveness of risk management;
- (e) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have a material impact on the Company's financial performance or condition; and
- (f) the effectiveness of the Company's processes for financial reporting and Listing Rule compliance.

55. The Company should disclose, in its Corporate Governance Report, a narrative statement on how they have complied with the code provisions in relation to risk management and internal control during the reporting period. In particular, they should disclose:

- (a) the process used to identify, evaluate and manage significant risks;
- (b) the main features of the risk management and internal control systems;
- (c) an acknowledgement by the Board that it is responsible for the risk management and internal control systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;
- (d) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and
- (e) the procedures and internal controls for the handling and dissemination of inside information.

56. The Company shall establish an audit committee. Members of the audit committee should be independent non-executive directors.
57. The Company should also have an internal audit function.
58. The terms of reference of the audit committee are available on the Company's website.
59. The audit committee shall ensure that the provision of non-audit services by an external auditor does not impair the external auditor's independence or objectivity.
60. The Company shall establish a whistleblowing policy and system for employees and those who deal with the Company (for example, customers and suppliers) to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Group. The whistleblowing policy is available on the Company's website.
61. The audit committee should be provided with sufficient resources to discharge its duties.
62. The Company shall implement an internal control system to review and monitor the financial reporting procedure and internal control of the Company.
63. The Company shall implement a system to review and monitor the connected transactions of the Company.
64. The Company should establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations.

COMMUNICATION WITH SHAREHOLDERS

65. The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.
66. For each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The Company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company explain the reasons and material implications in the notice of meeting.

67. The chairman of the Board should attend the annual general meetings. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committees or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meetings. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The Company should ensure the external auditor should attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.
68. The Company shall arrange for the notice to shareholders to be sent in the case of annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings.
69. The Company shall establish a shareholders' communication policy and review it on an annual basis to ensure its effectiveness. The shareholders' communication policy is available on the Company's website.
70. The Company shall develop an appropriate guideline for the distribution of company information.
71. The Company shall ensure that shareholders are familiar with the detailed procedures for conducting a poll. The chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.

COMPANY SECRETARY

72. The company secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that board policy and procedures are followed. The company secretary is responsible for advising the Board through the chairman, the chief executive and/or the finance director on governance matters and should also facilitate induction and professional development of directors.

73. The Board should approve the selection, appointment and dismissal of the company secretary.
74. The company secretary should report to the board chairman, the chief executive and/or the finance director.
75. All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable laws, rules and regulations, are followed.

(Adopted pursuant to the board meeting of the Company held on 30 March 2012)

(As amended by the Board of Directors on 21 August 2017)

(As amended by the Board of Directors on 29 August 2022)