

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. It met all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in the year ended 30 June 2006.

企業管治常規

本公司致力維持高水平之企業管治。於截至二零零六年六月三十日止年度內，本公司已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14所載之企業管治常規守則（「守則」）之所有條文。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules.

董事的證券交易

本公司已根據上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」）的條款，就董事進行證券交易採納一套操守守則。

The Company has made specific enquiry of all directors of the Company and they have confirmed compliance with the required standard set out in the Model Code during the year ended 30 June 2006.

本公司已向本公司全體董事作出特定查詢，所有董事均已確認於截至二零零六年六月三十日止年度內均有遵守標準守則的規定標準。

BOARD OF DIRECTORS

The Company is governed by a board of directors (the "Board") which has the responsibility for leadership and control of the Company. The directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board set strategies and directions for the Group's activities with a view to develop its business and to enhance shareholders value.

董事會

本公司受董事會（「董事會」）監管，彼等須負責領導及監察本公司。董事負責指示及監控本集團之事務，共同帶領本集團邁向成功。董事會製訂本集團業務之策略及方向，使業務得以發展及提升股東價值。

BOARD OF DIRECTORS *(Continued)*

The Board met 4 times during the year ended 30 June 2006. Its composition and the attendance of individual directors at these board meetings were as follows:

Name 姓名	Number of meetings held during the director's term of office 於董事任期舉行之會議次數	Number of meetings attended 所出席會議次數	
Executive directors			
執行董事			
Paul KAN Man Lok (<i>Chairman</i>)	簡文樂 (主席)	4	4
Leo KAN Kin Leung (<i>Chief Executive Officer</i>)	簡堅良 (行政總裁)	4	4
LAI Yat Kwong	黎日光	4	4
Non-executive director			
非執行董事			
Shirley HA Suk Ling	夏淑玲	4	4
Independent non-executive directors			
獨立非執行董事			
Terry John MILLER	苗禮	4	4
Francis Gilbert KNIGHT	Francis Gilbert KNIGHT	4	4
Prof. LIANG Xiong Jian	梁雄健教授	4	4
Prof. YE Pei Da	葉培大教授	4	4
Frank BLEACKLEY	Frank BLEACKLEY	4	4

Mr. Leo KAN Kin Leung is the brother of Mr. Paul KAN Man Lok.

董事會 (續)

董事會於截至二零零六年六月三十日止年度內共舉行4次會議。其組成架構及各董事於該等董事會會議之出席情況載列如下：

簡堅良先生為簡文樂先生之胞弟。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer of the Company are separated, with a clear division of responsibilities.

Mr. Paul KAN Man Lok, the Chairman, is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. Through the Board, he is responsible for ensuring that good corporate governance practices and procedures are followed by the Group.

Mr. Leo KAN Kin Leung, the Chief Executive Officer, is responsible for the day-to-day management of the Group's business.

主席及行政總裁

本公司主席及行政總裁之職務已予分開，並清晰界定彼等之責任。

主席簡文樂先生須負責領導董事會，確保董事會能有效益地履行其各方面之職務，並須負責釐定議程，以及考慮將其他董事所提出之事宜載入議程內。透過董事會，彼負責確保本集團有遵守良好企業管治常規及程序。

行政總裁簡堅良先生負責管理本集團之日常業務。

NON-EXECUTIVE DIRECTORS

All the non-executive directors of the Company are appointed for a term of 1 year and are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws of the Company.

非執行董事

本公司所有非執行董事之任期均為一年，並須根據本公司之公司細則於本公司之股東週年大會上輪值退任及重選連任。

REMUNERATION OF DIRECTORS

The Company has established a Human Resources & Remuneration Committee (the "Remuneration Committee") which has 3 members, comprising Mr. Francis Gilbert KNIGHT and Mr. Terry John MILLER (independent non-executive directors); and Mr. Leo KAN Kin Leung (executive director). The Remuneration Committee is chaired by Mr. Francis Gilbert KNIGHT.

The terms of reference of the Remuneration Committee have been determined with reference to the Code.

The Remuneration Committee met 1 time during the year ended 30 June 2006. The attendance of individual members at this meeting was as follows:

Name 姓名		Number of meetings held during the director's term of office 於董事任期舉行之會議次數	Number of meetings attended 所出席會議次數
Independent non-executive directors	獨立非執行董事		
Francis Gilbert KNIGHT	Francis Gilbert KNIGHT	1	1
Terry John MILLER	苗禮	1	1
Executive director	執行董事		
Leo KAN Kin Leung	簡堅良	1	1

The Remuneration Committee has reviewed the Group's remuneration policy and the levels of remuneration paid to executive directors and senior management of the Group.

NOMINATION OF DIRECTORS

The Company has established a Nomination Committee which has 5 members, comprising Mr. Frank BLEACKLEY, Mr. Francis Gilbert KNIGHT and Mr. Terry John MILLER (independent non-executive directors); and Ms. Shirley HA Suk Ling (non-executive director); and Mr. Paul KAN Man Lok (executive director). This Committee is chaired by Mr. Frank BLEACKLEY.

The terms of reference of the Nomination Committee have been determined with reference to the Code.

The Nomination Committee identifies potential new directors and recommends to the Board for decision. A director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment. Under the Company's Bye-laws, all directors are subject to retirement by rotation and re-election by shareholders every 3 years.

董事薪酬

本公司已成立人力資源及薪酬委員會(「薪酬委員會」)，該委員會由3名成員組成，包括Francis Gilbert KNIGHT先生、苗禮先生(獨立非執行董事)及簡堅良先生(執行董事)。Francis Gilbert KNIGHT先生為薪酬委員會之主席。

本公司已參考守則釐訂薪酬委員會之職權範圍。

薪酬委員會於截至二零零六年六月三十日止年度內共舉行1次會議。各成員於該會議之出席情況載列如下：

薪酬委員會已審閱本集團之薪酬政策，以及支付予本集團執行董事及高級管理層之薪酬水平。

董事提名

本公司已成立提名委員會，該委員會由5名成員組成，包括Frank BLEACKLEY先生、Francis Gilbert KNIGHT先生及苗禮先生(獨立非執行董事)，以及夏淑玲女士(非執行董事)及簡文樂先生(執行董事)。Frank BLEACKLEY先生為該委員會之主席。

本公司已參考守則釐訂提名委員會之職權範圍。

提名委員會物色有潛質成為新任董事之人士，並就董事會作出決定提供推薦建議。由董事會委任之董事須於其獲委任後之首個股東週年大會上經股東選舉。根據本公司之公司細則，所有董事須每3年輪值退任一次及經股東重選。

NOMINATION OF DIRECTORS *(Continued)*

Potential new directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

No new director was appointed during the year ended 30 June 2006.

The Nomination Committee met 1 time during the year ended 30 June 2006. The attendance of individual members at this meeting was as follows:

Name 姓名		Number of meetings held during the director's term of office 於董事任期舉行之會議次數	Number of meetings attended 所出席會議次數
Independent non-executive directors 獨立非執行董事			
Frank BLEACKLEY	Frank BLEACKLEY	1	1
Francis Gilbert KNIGHT	Francis Gilbert KNIGHT	1	1
Terry John MILLER	苗禮	1	1
Non-executive director 非執行董事			
Shirley HA Suk Ling	夏淑玲	1	1
Executive director 執行董事			
Paul KAN Man Lok	簡文樂	1	1

ACCOUNTABILITY AND AUDIT

The directors acknowledge their responsibility for preparing the accounts of the Company. As at 30 June 2006, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors about their financial reporting are set out in the Report of the Auditors attached to the Company's Financial Statements for the year ended 30 June 2006.

The Board has conducted a review of the effectiveness of the Group's internal control system with an aim to safeguard the shareholders' investment and the Company's assets. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Group's business objectives.

董事提名(續)

挑選有潛質成為新任董事之人士時，提名委員會會以該等人士之資歷、技能及經驗是否能對董事會之表現帶來正面貢獻作為遴選基準。

截至二零零六年六月三十日止年度並無委任新董事。

提名委員會於截至二零零六年六月三十日止年度內共舉行1次會議。各成員於該會議之出席情況載列如下：

問責及核數

董事明白彼等須負責編製本公司之賬目。於二零零六年六月三十日，董事並不知悉任何與本公司能否繼續以持續基準經營構成重大疑問之事件或情況有關之重大不明朗因素。因此，董事已按持續經營基準編製本公司之財務報告。

外聘核數師對財務申報之責任載列於本公司截至二零零六年六月三十日止年度之財務報告中之核數師報告。

董事會已對本集團內部監控系統之效益進行檢討，以保障股東之投資及本公司之資產。目的在於合理（而非絕對地）保證並無重大失實陳述、錯誤、損失或欺詐，以及管理而非抵銷未能達致本集團業務目標之風險。

AUDITORS' REMUNERATION

For the year ended 30 June 2006, fee for the Company's external auditors for audit services is HK\$5,269,000 and that for non-audit services mainly relating to taxation matters is HK\$1,308,000.

核數師酬金

截至二零零六年六月三十日止年度，本公司外聘核數師之核數服務費用為5,269,000港元，主要關於稅務事項之非核數服務費用則為1,308,000港元。

AUDIT COMMITTEE

The Audit Committee has 4 members, comprising Mr. Francis Gilbert KNIGHT, Mr. Frank BLEACKLEY and Mr. Terry John MILLER (independent non-executive directors); and Ms. Shirley HA Suk Ling (non-executive director). The Chairman of this Committee is Mr. Francis Gilbert KNIGHT.

The terms of reference of the Audit Committee follow the guidelines set out in the Code.

During the year ended 30 June 2006, the Audit Committee had reviewed the Group's interim and annual results as well as its internal control system.

The Audit Committee met 2 times during the year ended 30 June 2006. The attendance of individual members at these meetings was as follows:

審核委員會

審核委員會由4名成員組成，包括Francis Gilbert KNIGHT先生、Frank BLEACKLEY先生及苗禮先生（獨立非執行董事），以及夏淑玲女士（非執行董事）。Francis Gilbert KNIGHT先生為該委員會之主席。

本公司已根據守則所載之指引製訂審核委員會之職權範圍。

截至二零零六年六月三十日止年度內，審核委員會已審閱本集團之中期及全年業績，以及其內部監控系統。

審核委員會於截至二零零六年六月三十日止年度內共舉行2次會議。各成員於該等會議之出席情況載列如下：

Name 姓名		Number of meetings held during the director's term of office 於董事任期舉行之會議次數	Number of meetings attended 所出席會議次數
Independent non-executive directors	獨立非執行董事		
Francis Gilbert KNIGHT	Francis Gilbert KNIGHT	2	2
Frank BLEACKLEY	Frank BLEACKLEY	2	2
Terry John MILLER	苗禮	2	2
Non-executive director	非執行董事		
Shirley HA Suk Ling	夏淑玲	2	2