

企業管治報告

Corporate Governance Report

企業管治常規

本公司致力於透過著重對全體股東之透明度，問責性及責任制訂良好的企業管治常規。

企業管治常規守則

本公司於截至二零零六年六月三十日上年度內已遵守上市規則附錄14所載之企業管治常規守則（「守則」）之守則條文，除下列守則條文A.2.1條有關主席與行政總裁（「行政總裁」）角色區分所述外。

本公司目前並無任何高級職員擔任行政總裁一職。林小明先生為本公司創辦人及主席，亦已履行行政總裁之職責。林先生具備所須之領導才能及對本集團之業務擁有深厚認識。董事會認為目前架構更為合適本公司，因該架構可令本公司之策略更有效地制定及落實。

Corporate Governance Practices

The Company is committed to the establishment of a good standard of corporate governance practices by emphasizing transparency, accountability and responsibility to our shareholders.

Code on Corporate Governance Practices

The Company has, throughout the year ended 30th June 2006, complied with the Code Provisions on the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules except for the code provision A.2.1 of the Code for the separation of the roles of Chairman and Chief Executive Officer ("CEO") as described in the following.

The Company does not at present have any officer holding the position of CEO. Mr Lam Shiu Ming, Daneil is the founder and Chairman of the Company and has also carried out the responsibilities of CEO. Mr Lam possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure to be more suitable to the Company because it can promote the efficient formulation and implementation of the Company's strategies.

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董事會

董事會之職責及組成

董事會為股東之最佳利益而共同負責監察本集團之業務管理，策略決定及財務表現。董事會已將本集團的日常管理權力授予本公司之執行董事及高級管理人員。董事會會定期就此權責授權安排作出檢討，以確保該授權合適本公司之當時情況。

下列事項(包括任何該等事項之變動)保留予董事會以作批准：

- (a) 任何董事會決定為重大並涉及與本公司大股東或董事之利益衝突之事項；
- (b) 任何與本公司制定策略及方向之事項，包括：
 - (i) 與本公司整體策略性方向及策略性計劃有關之政策；
 - (ii) 與本公司主要業務及財務目標有關之政策；
 - (iii) 與宣派股息有關之政策；及
 - (iv) 訂立董事認為涉及收購、投資、出售資產或任何重大資本支出的合約。

The Board

Duties and composition of the Board

The Board is collectively responsible for the oversight of the management of business, strategic decisions and financial performance of the Group for the best interests of the shareholders. The Board has delegated the day-to-day management power of the Group to the Executive Directors and the senior management of the Company. The Board reviews its arrangement on delegation of responsibilities and authority regularly to ensure that such delegations are appropriate in view of the Company's prevailing circumstances.

The following matters (including changes to any such matters) are reserved for the approval by the Board:

- (a) any matter determined by the Board to be material involving any conflict of interest for a substantial shareholder of the Company or a Director;
- (b) any matter relating to the formulation of the Company's strategies and directions including:
 - (i) policies relating to the overall strategic direction and strategic plans of the Company;
 - (ii) policies relating to key business and financial objectives of the Company;
 - (iii) policies relating to the declaration of dividend; and
 - (iv) the entering into of contracts involving acquisitions, investments, disposal of assets or any significant capital expenditure which are deemed to be material by the Board.

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董事會 (續)

董事會之職責及組成 (續)

- (c) 財務控制、監察及風險管理：
- (i) 批准本公司年度之營運及資本支出預算；
 - (ii) 批准本公司之財務報表及公佈的報告；
 - (iii) 建立及檢討本公司之內部監控系統及風險管理程序之有效性；及
 - (iv) 採納或批准本公司或其附屬公司之任何於會計政策或程序之重大變動。
- (d) 本公司資本架構之變動，包括股本減少，股份購回或新證券發行；惟除根據購股權計劃或其他經本公司不時採納之鼓勵性計劃之條款而發行之新證券外；
- (e) 主要委任及罷免：
- (i) 參考提名委員會之任何建議，委任董事會成員；
 - (ii) 主席之委任；
 - (iii) 參考審計委員會之建議，就外聘核數師之委任或罷免向股東作出建議；及
 - (iv) 公司秘書之委任及罷免。

The Board (Continued)

Duties and composition of the Board (Continued)

- (c) financial controls, compliance and risk management:
- (i) the approval of annual operating and capital expenditure budgets for the Company;
 - (ii) the approval of the Company's financial statements and published reports;
 - (iii) the establishment and review of the effectiveness of the Company's systems of internal control and risk management process; and
 - (iv) the adoption of, or approval for any significant changes in, accounting policies or procedures of the Company and its subsidiaries.
- (d) changes to the Company's capital structure, including reductions of share capital, share buy-backs or issue of new securities, other than in accordance with the terms of the share option scheme(s) or other incentive schemes adopted by the Company from time to time;
- (e) major appointments and removal:
- (i) appointments to the Board, taking into account any recommendations of the Nomination Committee;
 - (ii) the appointment of the Chairman;
 - (iii) recommendation to the shareholders on the appointment or removal of external auditors after taking into consideration the recommendations of the Audit Committee; and
 - (iv) the appointment or removal of the Company Secretary.

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董事會 (續)

董事會之職責及組成 (續)

- (f) 授予權限：
- (i) 任何董事會委員會之職權範圍或會員之變動；
 - (ii) 授予主席及高級管理人員權限之變動；及
 - (iii) 超出已授予主席及高級管理人員權限之事項。
- (g) 採納、審閱及批准本公司之企業管治常規手冊、適用於董事及本集團之高級管理人員之道德與證券交易守則之變動。

董事會現時由六名董事組成，包括三名執行董事及三名獨立非執行董事。董事之名稱及個人資料載於本年報第17頁及第18頁內。

所有獨立非執行董事皆為擁有豐富經驗之人士，而其中兩位擁有會計專業資格。集合彼等之專業技能及經驗對董事會就制定長遠業務策略及監察本集團之營運及財務事項有莫大幫助。

本公司已收到各獨立非執行董事根據上市規則第3.13條就其身份之獨立性發出之週年確認書。本公司認為各獨立非執行董事確屬獨立人士。

本公司已就保障董事因企業事務所產生之責任作出適當責任保險安排。保險責任範圍會每年作出檢討。

The Board (Continued)

Duties and composition of the Board (Continued)

- (f) delegation of authority:
- (i) changes to terms of reference or membership of any committee of the Board;
 - (ii) changes to the authority delegated to the Chairman and the senior management; and
 - (iii) matters which exceed the authority delegated to the Chairman and the senior management.
- (g) the adoption, review and approval of changes to the Corporate Governance Practice Manual of the Company, the Code of Ethics and Securities Transactions applicable to the Directors and senior management of the Group.

The Board currently comprises a total of six Directors, with three Executive Directors and three Independent Non-executive Directors. The names and biographies of the Directors are set out on pages 17 and 18 of this annual report.

The Independent Non-executive Directors are all experienced individuals, of whom two have accounting professional qualification. Their mix of professional skills and experience is beneficial to the Board to formulate the long-term business strategies and monitor the operational and financial matters of the Group.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors to be independent.

The Company has arranged for appropriate liability insurance to cover the liabilities of the Directors that may arise out of the corporate activities. The insurance coverage is reviewed on an annual basis.

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董事會 (續)

委任及重選

為符合守則所載守則條文A.4.1條，本公司已收到各獨立非執行董事就其委任而發出之三年指定任期確認書，由二零零五年十一月二十五日(即本公司上一屆股東週年大會之日期)生效。

為符合守則所載守則條文A.4.2條，於二零零五年十一月二十五日舉行之股東週年大會上，修訂本公司細則(「公司細則」)之特別決議案已經提呈並獲股東批准；據此，獲董事會委任填補臨時空缺之董事只可擔任至其獲委任後首屆股東大會或獲委任新增董事會成員之董事，則可擔任至下屆之股東週年大會，並可在該等會議上符合資格重選連任。

根據上市規則及公司細則條文，所有董事須最少每三年輪值退任及重選連任。於每屆本公司之股東週年大會上，最少三份之一董事須輪席退任。

林小明先生、趙雪英女士及馬廷雄先生將於本公司應屆股東週年大會上輪值退任，惟彼等符合資格並願意膺選連任。

The Board (Continued)

Appointment and re-election

To comply with the code provision A.4.1 of the Code, the Company has received, from each of the Independent Non-executive Directors, a confirmation of his appointment for a specific term of three years with effect from 25th November 2005, the date of the last annual general meeting of the Company.

To comply with the code provision A.4.2 of the Code, a special resolution amending the bye-laws of the Company (the "Bye-law(s)") was proposed and approved by the shareholders at the last annual general meeting of the Company held on 25th November 2005 whereby any director so appointed by the Board shall hold office only until the first general meeting of the Company after his or her appointment (in the case of filling a casual vacancy) or until the next following annual general meeting of Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.

All Directors are subject to retirement by rotation at least every three years and re-election in accordance with the provision of the Listing Rules and the Bye-laws. At least one-third of Directors shall retire from office every year at the Company's annual general meeting.

Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and Mr Ma Ting Hung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

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董事會 (續)

董事會會議

董事會每年一般會舉行四次定期董事會會議，大約每季一次。截至二零零六年六月三十日止之年度內，本公司共舉行了十二次董事會會議及各董事於該等會議之出席記錄如下：

	出席記錄
執行董事	
林小明先生 (主席)	12/12
趙雪英女士	9/12
楊劍標先生	9/12
獨立非執行董事	
伍國棟先生	11/12
趙善改先生	11/12
馬廷雄先生	9/12

董事會委員會

董事會已成立薪酬委員會、提名委員會及審核委員會。

薪酬委員會

本公司於二零零五年七月十五日成立具有特定職權範圍的薪酬委員會。薪酬委員會現由三名獨立非執行董事，分別為馬廷雄先生（擔任主席），伍國棟先生及趙善改先生及兩名執行董事，分別為林小明先生及趙雪英女士所組成。薪酬委員會之職權範圍可於本公司之網址查閱。

薪酬委員會之主要職責包括就本公司董事及高級職員之薪酬政策及架構作出建議及不時審閱全體執行董事及高級管理人員之特定薪酬待遇。

The Board (Continued)

Board meetings

Each year, the Board normally held four regular board meetings at approximately quarterly interval. 12 board meetings were convened during the year ended 30th June 2006 and the attendances of individual Directors at these meetings are set out as follows:

	Attendance
Executive Directors	
Mr Lam Shiu Ming, Daneil (Chairman)	12/12
Ms Chiu Suet Ying	9/12
Mr Yeung Kim Piu	9/12
Independent Non-executive Directors	
Mr Ng Kwok Tung	11/12
Mr Chiu Shin Koi	11/12
Mr Ma Ting Hung	9/12

Board Committees

The Board has established a Remuneration Committee, Nomination Committee and an Audit Committee.

Remuneration Committee

A Remuneration Committee with specific written terms of reference was established by the Company on 15th July 2005. The Remuneration Committee currently comprises three Independent Non-executive Directors, namely Mr Ma Ting Hung (as Chairman), Mr Ng Kwok Tung and Mr Chiu Shin Koi, and two Executive Directors, namely, Mr Lam Shiu Ming, Daneil and Ms Chiu Suet Ying. The terms of reference of the Remuneration Committee are available on the Company's website.

The principal duties of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and senior management and reviewing the specific remuneration package of all Executive Directors and senior management from time to time.

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董事會委員會 (續)

薪酬委員會 (續)

本集團薪酬政策之主要原則包括下列各項：

- (a) 董事不會參與釐訂其自身之薪酬；
- (b) 薪酬應考慮如同類公司支付的薪酬、付出時間、職責、集團內其他職位的僱用條件及應否按表現釐訂薪酬等因素而釐訂；及
- (c) 按表現而釐定的薪酬應透過參照董事會不時通過的公司目標而用作檢討及批准。

於截至二零零六年六月三十日止年度內，本公司共舉行了一次委員會會議，及各委員會成員之出席記錄如下：

出席記錄	
獨立非執行董事	
馬廷雄先生 (主席)	1/1
伍國棟先生	1/1
趙善改先生	1/1
執行董事	
林小明先生	1/1
趙雪英女士	1/1

薪酬委員會已就董事及高級管理人員之薪酬作出審閱及討論。委員會亦參照各執行董事之責任及表現水平，行業指標，當時之市場情況及本集團之財務表現而批准彼等之薪酬及酌情性花紅，並亦已授權執行董事決定及制定本集團之高級管理人員之薪酬政策。概無董事參與釐訂其自身之薪酬。

Board Committees (Continued)

Remuneration Committee (Continued)

The main principles of the Group's remuneration policies are:

- (a) no Director should be involved in deciding his or her own remuneration;
- (b) remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, levels of responsibilities, employment conditions elsewhere in the Group and desirability of performance-based remuneration; and
- (c) performance-based remuneration should be reviewed and approved by reference to corporate goal and objectives resolved by the Board from time to time.

One committee meeting was convened during the year ended 30th June 2006 and the attendance of each committee member is set out as follows:

Attendance	
Independent Non-executive Directors	
Mr Ma Ting Hung (Chairman)	1/1
Mr Ng Kwok Tung	1/1
Mr Chiu Shin Koi	1/1
Executive Directors	
Mr Lam Shiu Ming, Daneil	1/1
Ms Chiu Suet Ying	1/1

The Remuneration Committee has reviewed and discussed the remuneration of the Directors and senior management. The Committee has also approved the remuneration and the discretionary bonuses of the Executive Directors by reference to their respective levels of responsibilities and performance, industry benchmarks, prevailing marketing conditions and Group's financial performance and delegated the Executive Directors to determine and formulate the remuneration policy for the senior management of the Group. No Director is involved in deciding his or her own remuneration.

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董事會委員會 (續)

提名委員會

本公司於二零零五年七月十五日成立具有特定成文職權範圍的提名委員會。提名委員會現由三名獨立非執行董事，分別為趙善改先生（擔任主席），伍國棟先生及馬廷雄先生及兩名執行董事，分別為林小明先生及趙雪英女士所組成。提名委員會之職權範圍可於本公司之網址查閱。

提名委員會之主要職責，包括定期檢討董事會之架構、人數及組成及就任何擬作出的變動向董事會提出建議。

於截至二零零六年六月三十日年度內，提名委員會並無舉行任何會議。

審核委員會

本公司已於一九九九年十月十一日成立審核委員會。詳述審核委員會之權力及職責之成文職責範圍乃參考香港會計師公會頒佈之「審核委員會有效運作指引」及根據守則而編製並作出採納。審核委員會之職責範圍可於本公司之網址查閱。

審核委員會負責外聘核數師之委任、本集團財務資料之審閱及監管本集團之財務及會計慣例、內部監控及風險管理。審核委員會亦會負責審閱本集團的中期及全年業績。

截至二零零六年六月三十日止年度之經審核財務報表已由審核委員會審閱。

Board Committees (Continued)

Nomination Committee

A Nomination Committee with specific written terms of reference was established by the Company on 15th July 2005. The Nomination Committee currently comprises three Independent Non-executive Directors, namely Mr Chiu Shin Koi (as Chairman), Mr Ng Kwok Tung and Mr Ma Ting Hung, and two Executive Directors, namely, Mr Lam Shiu Ming, Daneil and Ms Chiu Suet Ying. The terms of reference of the Nomination Committee are available on the Company's website.

The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

The Nomination Committee did not hold any meeting during the year ended 30th June 2006.

Audit Committee

The Company established an Audit Committee on 11th October 1999. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants and in accordance with the Code. The terms of reference of the Audit Committee are available on the Company's website.

The Audit Committee is responsible for the appointment of external auditors, review of the Group's financial information and oversight of the Group's financial and accounting practices, internal control and risk management. It is also responsible for reviewing the interim and final results of the Group.

The audited financial statements for the year ended 30th June 2006 have been reviewed by the Audit Committee.

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董事會委員會 (續)

審核委員會 (續)

於截至二零零六年六月三十日止年度內，本公司共舉行了三次委員會會議，及各委員會成員之出席記錄如下：

	出席記錄
獨立非執行董事	
伍國棟先生 (主席)	3/3
馬廷雄先生	3/3
趙善改先生	3/3

審核委員會已審閱外聘核數師之聘用條款、已修訂之會計準則、二零零五／二零零六年財政年度之中期財務報告及週年財務報表。審核委員會亦已審閱內部監控及於審計開始前與外聘核數師會面討論審計性質及範圍及申報責任。

內部監控

董事有內部監控及制定合適政策之整體責任。董事會已透過審核委員會檢討本集團之內部監控制度之效用。

內部監控制度旨在達成本集團之業務目標、有效及具效率的營運、保障資產及妥善保存會計記錄，以提供可靠之財務資料。制度之設計旨在提供合理而非絕對之保證，確保財務報表並無重大錯誤陳述或資產虧損，以及管理而非消除本集團營運系統失效及未能達成業務目標之所有風險。董事會並無發現任何重大涉嫌欺詐及違規情況、內部監控不足之處或違反有關規例及規則，致使董事會相信內部監控制度有所不足。

Board Committees (Continued)

Audit Committee (Continued)

Three committee meetings were convened during the year ended 30th June 2006 and the attendances of the each committee member at these meetings are set out as follows:

	Attendance
Independent Non-Executive Directors	
Mr Ng Kwok Tung (Chairman)	3/3
Mr Ma Ting Hung	3/3
Mr Chiu Shin Koi	3/3

The Audit Committee has reviewed the terms of engagement of the external auditors, the revised accounting standards, the financial year 2005/2006 interim financial report and annual financial statements. The Audit Committee also reviewed the internal control systems and met with the external auditors to discuss with them the nature and scope of the audit and reporting obligation prior to the commencement of the audit.

Internal Control

The Directors have the overall responsibility for internal control and sets appropriate policies. The Board, through the Audit Committee, has reviewed the effectiveness of the Group's system of internal control.

The system of internal control aims to help achieving the Group's business objectives, effective and efficient operations, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. The design of system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statement or loss of assets and to manage rather than eliminate all risks of failure in the Group's operational systems and in the achievement of the Group's business objectives. No material suspected frauds and irregularities, internal control deficiencies or infringement of relevant regulations and rules have come to the attention of Board to cause the Board to believe that the system of internal control is inadequate.

企業管治報告

Corporate Governance Report

董事對財務報表之責任

董事明白彼等編製本集團財務報表之責任，並確保截至二零零六年六月三十日止年度之財務報表乃按照由香港會計師公會頒佈之香港財務報告準則及香港會計準則及詮釋、香港公認會計原則及香港公司法例的披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所，就有關本集團之綜合財務報表之其申報責任聲明已載於本年報第40頁及第41頁的核數師報告內。

核數師酬金

於上一屆股東週年大會，羅兵咸永道會計師事務所獲股東委任為本公司之外聘核數師。截至二零零六年六月三十日止年度，支付予羅兵咸永道會計師事務所之酬金如下：

所提供服務

Services rendered

審計費用	Audit services
非審計費用	Non-audit services

已付／應付費用

Fees paid/payable

港幣千元

HK\$'000

審計費用	Audit services	600
非審計費用	Non-audit services	50
		<hr/>
		650

董事進行證券交易的標準守則

於截至二零零六年六月三十日止年度內，本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）為本公司董事關於證券交易的規則。在向所有董事作出特定查詢後，所有董事確認於年內已遵守守則規定所載之要求標準。

Directors' Responsibility for Financial Reporting

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements of the Group for the year ended 30th June 2006 have been prepared in accordance with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standard and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance.

The statement of external auditors of the Company, PricewaterhouseCoopers, about their reporting responsibilities on the consolidated financial statements of the Group is set in the Auditors' Report on pages 40 and 41 of this annual report.

Auditors' Remuneration

PricewaterhouseCoopers was appointed as the external auditors of the Company by the shareholders at the last annual general meeting of the Company. For the year ended 30th June 2006, the remuneration paid to PricewaterhouseCoopers is set out as follows:

Model Code for Securities Transactions by Directors

During the year ended 30th June 2006, the Company has 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 as the code for dealing in securities of the Company by the Directors. Having made specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year.