

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。

董事會

董事會為股東之最佳利益而共同負責監察本集團之業務及各事務的管理工作。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。

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。

本公司已就彌償其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。

由二零零四年七月一日至本年報日期，董事會曾舉行以下六次會議：

會議日期	出席者
二零零四年九月二十三日	林小明先生及趙雪英女士
二零零四年十月二十一日	林小明先生、趙雪英女士及全體三名獨立非執行董事
二零零五年三月二十三日	林小明先生、趙雪英女士及全體三名獨立非執行董事
二零零五年七月十五日	全體董事
二零零五年九月二十九日	全體董事
二零零五年十月二十日	林小明先生、趙雪英女士及全體三名獨立非執行董事

Corporate Governance Practices

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

Board of Directors

The Board is collectively responsible for the oversight of the management of business and affairs of the Group for the best interest of shareholders. The Board currently comprises a total of six Directors, with three Executive Directors and three Independent Non-executive Directors.

The Independent Non-executive Directors are all experienced individuals, of whom two have accounting professional qualifications. 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 arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of the corporate activities. The insurance coverage is reviewed on an annual basis.

During the period from 1st July 2004 to the date of this annual report, the Board held six meetings as follows:

Date of meeting	Attendees
23rd September 2004	Mr Lam Shiu Ming, Daneil and Ms Chiu Suet Ying
21st October 2004	Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and all three Independent Non-executive Directors
23rd March 2005	Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and all three Independent Non-executive Directors
15th July 2005	All Directors
29th September 2005	All Directors
20th October 2005	Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and all three Independent Non-executive Directors

企業管治報告

Corporate Governance Report

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。本公司已參考香港會計師公會頒佈之「審核委員會有效運作指引」及根據上市規則附錄14所載之企業管治常規守則(於二零零五年一月一日正式生效)(「新守則」)編撰及已採納詳述審核委員會權力及職責之書面職權範圍。

審核委員會乃董事會與本集團核數師就本集團審核事務進行溝通之重要聯繫，亦負責檢討外部審計工作、內部監控及風險評估各方面之成效。審核委員會現由三名獨立非執行董事，分別為伍國棟先生(擔任主席)、趙善改先生及馬廷雄先生所組成。審核委員會於回顧年度內曾舉行兩次全體委員會成員皆有列席的會議。

截至二零零五年六月三十日止年度之經已審核業績已由審核委員會審閱。

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責範圍的薪酬委員會。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。薪酬委員會已於二零零五年十月二十日舉行第一次全體委員會成員皆有列席的會議。

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。

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；

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 on Corporate Governance Practices set out in the Appendix 14 of the Listing Rules (the “New Code”) which came into effect on 1st January 2005.

The Audit Committee provides an important link between the Board and the Group’s auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness of the external audit, internal controls and risk evaluation. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr Ng Kwok Tung (as Chairman), Mr Chiu Shin Koi and Mr Ma Ting Hung. Two meetings were held with all committee members’ attendance during the year under view.

The audited results for the year ended 30th June 2005 have been reviewed by the 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 first meeting was held on 20th October 2005 with all committee members’ attendance.

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

The main principles of the Group’s remuneration policies are:—

- (a) No Director should be involved in deciding his or her own remuneration;

企業管治報告

Corporate Governance Report

薪酬委員會 (續)

- (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作用檢討及批准。

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權責範圍的提名委員會。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。

核數師酬金

羅兵咸永道會計師事務所為本公司之核數師。彼等所提供之服務包括審計及稅務服務。彼等所提供之法定審計服務費用港幣600,000元已於本集團之二零零四／二零零五年度之財務報表內扣除。

董事進行證券交易的標準守則

於截至二零零五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標準守則規定所載之要求標準。

上市規則之最佳應用守則及企業管治常規守則

本公司於截至二零零五年六月三十日止年度內已遵守(a)上市規則之舊附錄14所載之最佳應用守則及(b)於二零零五年一月一日正式生效之新守則，除下列偏離事項外：

Remuneration Committee (Continued)

- (b) Remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, responsibility, 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.

Nomination Committee

A Nomination Committee with specific written terms of reference was established by the Company on 15 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 principle 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.

Auditors' Remuneration

PricewaterhouseCoopers are the auditors of the Company. The services provided by them include audit and taxation. An amount of HK\$600,000 was charged to the 2004/2005 financial statements of the Group for their statutory audit services.

Model Code for Securities Transactions by Directors

During the year ended 30th June 2005, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of 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 all the Directors have complied with the required standard set out in the Model Code throughout the year.

Code of Best Practice and Code on Corporate Governance Practices of the Listing Rules

The Company has complied with (a) the Code of Best Practice as set out in the old Appendix 14 of the Listing Rules; and (b) the New Code which came into effect on 1st January 2005, throughout the year ended 30th June 2005 except for the following deviations:

企業管治報告

Corporate Governance Report

上市規則之最佳應用守則及企業管治常規守則 (續)

1. 守則條文A.4.1

根據新守則之守則條文A.4.1，非執行董事的委任應有指定任期，並須接受重新選舉。惟現時所有獨立非執行董事的委任皆無指定任期，但須根據本公司細則（「細則」）輪流退任及接受重新選舉。

2. 守則條文A.4.2

根據新守則之守則條文A.4.2，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。

根據細則第87(1)條，本公司董事會主席及／或董事總經理無須按輪流退任而計算在釐定每年退任董事人數之內。

惟本公司現提議於即將舉行之股東週年大會上以特別決議案呈交予股東批准，修訂本公司細則以令所有董事（包括有指定任期的董事）都須至少每三年一次輪流退任。

3. 守則條文B.1.1

根據新守則之守則條文B.1.1，本公司應設立具有特定成文權責範圍的薪酬委員會；有關權責範圍應清楚說明委員會的權限及職責。薪酬委員會的大部份成員應為獨立非執行董事。

於二零零五年七月十五日，本公司已成立具有特定成文權責範圍的薪酬委員會。薪酬委員會成員包括三名獨立非執行董事及兩名執行董事。

4. 守則條文C.3.3

根據新守則之守則條文C.3.3，審核委員會的職權範圍須至少包括該守則條文所列載之責任。

董事會於二零零五年七月十五日已採用經修訂至包括該守則條文所列載之全部責任之職權範圍。

Code of Best Practice and Code on Corporate Governance Practices of the Listing Rules

(Continued)

1. Code Provision A.4.1

Under the code provision A.4.1 of the New Code, non-executive directors should be appointed for a specific term, subject to re-election. However, all the Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and all re-election pursuant to the bye-laws of the Company (the "Bye-law(s)").

2. Code Provision A.4.2

Under the code provision A.4.2 of the New Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Bye-law 87(1), the chairman of the Board and/or the managing director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

The Company, however, proposes to put forward to its shareholders for approval at the forthcoming annual general meeting a special resolution to amend the Bye-laws to the effect that every Director, including those appointed for a specific term to be subject to retirement by rotation at least once every three years.

3. Code Provision B.1.1

Under the code provision B.1.1 of the New Code, the Company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

A remuneration committee with specific written terms of reference was established by the Company on 15th July 2005. The remuneration committee comprises three Independent Non-executive Directors and two Executive Directors.

4. Code Provision C.3.3

Under the code provision C.3.3 of the New Code, the terms of reference of the audit committee should included at least those duties as set out in that code provision.

The revised terms of reference of the audit committee incorporating all those duties set out in the said code provision was adopted by the Board on 15th July 2005.