

In spite of the above concern, the Board is optimistic about the results of the Group for the current financial year barring any unforeseen circumstance.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the 6 months ended 30 September 2005, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and CEO and Mr. Chan Sik Ming, Harry currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by an effective Board which comprises experienced and high calibre individuals with a sufficient number thereof being independent non-executive directors (“INED(s)”).

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The INEDs of the Company do not have a specific term of appointment, but subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company’s Bye-laws.

Code Provision B.1.1 stipulates that the Company should establish a Remuneration Committee with specific written terms of reference which deal clearly with its authority and duties. The Company has not established a Remuneration Committee during the current period as the directors’ and senior management’s remuneration was not due for review during the current period.

雖說對以上的挑戰因素表示關注，除出現不可預知的情況外，董事會對本集團在本財政年度的業績表現表示樂觀。

企業管治

本公司董事會認為，除以下有所偏差外，本公司截至二零零五年九月三十日止六個月內已遵守上市規則附錄14所載企業管治常規守則條文：

根據守則條文A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司並無區分主席與行政總裁，現時由陳錫明先生同時兼任該兩個職位。董事會相信，由一人兼任主席與行政總裁的角色可確保本集團貫徹的領導，更有效和有效率地計劃長遠策略及執行業務策劃。董事會相信，董事會由經驗豐富的優秀人才組成，加上相當成員均為獨立非執行董事（「獨立非執行董事」），故可確保有關權力及職能充分平衡，不會受損害。

根據守則條文A.4.1條，非執行董事的委任應有指定任期，並須接受重新選舉。本公司之獨立非執行董事並無特定任期，惟須按本公司之公司細則之有關條文輪值告退及重選。

根據守則條文B.1.1條，公司須成立薪酬委員會，並書面訂明指定之職權範圍，清楚列明其權力及職責。因本集團董事及高層僱員在本期間尚未進行薪酬檢討，所以本公司尚未成立薪酬委員會。

On 22 December 2005, the Board has approved to set up a Remuneration Committee comprising the existing three INEDs and two executive directors, and also the specific written terms of reference of the Remuneration Committee in accordance with Rule B.1.3 in Appendix 14 of the Listing Rules.

於二零零五年十二月二十二日，董事會已通過成立薪酬委員會，當中成員包括現時三位獨立非執行董事及兩位執行董事；與及根據上市規則附錄14第B.1.3條的規定薪酬委員會書面訂明之指定職權範圍。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2005, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers", were as follows:

董事於股份及相關股份之權益或淡倉

於二零零五年九月三十日，董事於本公司或其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有須記錄於證券及期貨條例第352條規定置存之記錄冊內之權益或淡倉，或須根據「上市公司董事進行證券交易的標準守則」知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

Long position in ordinary shares of the Company

於本公司普通股份之好倉

Name of director 董事姓名	Directly beneficially owned 實益直接擁有	Beneficiary of a trust 信託受益	Total 合計	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
Chan Sik Ming, Harry 陳錫明	34,480,000	63,933,417*	98,413,417	21.12

* Chan Sik Ming, Harry and his family are the objects of a discretionary trust, which has appointed Earnwell Limited as its trustee. At 30 September 2005, Earnwell Limited held 63,933,417 shares representing approximately 13.72% of the issued share capital of the Company.

* 陳錫明及其家屬為一全權信託基金之受益人，而該基金委任Earnwell Limited為其信託人。於二零零五年九月三十日，Earnwell Limited持有股份63,933,417股，約佔本公司已發行股本之13.72%。