

As at the acquisition date, an amount of RMB1.1 billion was owed by the Parent Group to the Target Group. As at 30 September 2004, the amount was included in the amount due from related companies under current assets in the consolidated balance sheet of the Group. The amount was subsequently repaid in full in October this year. Please refer to the section under "Post Balance Sheet Events" below for details.

Charges on assets

As at 30 September 2004, the Group had pledged deposits amounting to HK\$971 million to secure the general banking facilities granted to the Group.

Contingent liabilities and commitment

There were no material contingent liabilities and commitments as at 30 September 2004.

Foreign currencies and treasury policy

The Group has little exposure to foreign currencies fluctuations as most of the Group's business transactions, assets and liabilities are principally denominated in either China Renminbi, Hong Kong dollar or United States dollar. It's the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, will hedge its foreign currency exposure by forward foreign exchange contracts.

Human resources

As at 30 September 2004, the total numbers of employees of the Group were 8,814, including 8,785 in the PRC and 29 in Hong Kong. The Group values its human resources and recognizes the important of attracting and retaining qualified staff for its continuing success. Remuneration packages are generally structured by reference to market terms and individual qualifications.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

At 30 September 2004, the interests of the directors and the chief executive of the Company and their associates in the securities of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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 Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing rules") were as follows:

Name of director	Number of ordinary shares held			Percentage of Shareholding
	Personal interests	Corporate interests	Total	
Mr. Wong Kwong Yu	900,087	135,867,754 (note 1)	136,767,841	74.90%

note:

- (1) The Shares are held in name of Shinning Crown Holdings Inc., which is 100% beneficially owned by Mr. Wong Kwong Yu.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company, its subsidiaries or its holding company a party to any arrangements to enable the directors of the Company to acquire shares in or debentures of the Company or any other body corporate.