



TREASURY POLICIES

The Group generally finances its operation with internal generated resources and banking and credit facilities provided by banks in Hong Kong, the PRC and the UK. All borrowings are denominated in Hong Kong dollars, the US dollars, RMB and British pounds. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts facilities, invoice financing and bank loans. The interest rates of most of these borrowings are fixed with reference to the Hong Kong Dollar Prime Rate or foreign currency's Trade Finance Rates.

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

As at 30 September 2004, the interests of the directors of the Company in the shares and share options 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 kept by the Company pursuant to section 352 of the SFO or 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 (the "Model Code") were as follows:

Long positions

(a) *Ordinary shares of HK\$0.10 each of the Company*

Directors	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. LIANG Jin You	Held by controlled corporation (note 1)	119,184,300	45.40%
Mr. LIN Dong Hong	Held by controlled corporation (note 2)	11,193,140	4.26%

(b) Share options

Directors	Capacity	Number of options held	Number of underlying shares
Mr. LIANG Jin You	Beneficial owner	2,306,000	2,306,000
Ms. LI Kwo Yuk	Beneficial owner	2,836,000	2,836,000
Mr. OU Jian Sheng	Beneficial owner	5,766,000	5,766,000
		10,908,000	10,908,000

Note 1: 119,184,300 shares are owned by Golden Glory Group Limited ("GG"), a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

Note 2: 11,193,140 shares are owned by Grand Castle Holdings Limited ("GC"), a company incorporated in the British Virgin Islands. The entire issued share capital of GC is 100% beneficially owned by Mr. LIN Dong Hong.

The interests of the directors in the share options of the Company are separately disclosed in the section "Share option scheme" below.

Save as disclosed above, as at 30 September 2004, none of the other directors, chief executives or their associates had registered any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' interests in shares and share options" above and "Share option scheme" below, at no time during the period were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.