

The Group's bank borrowings at 31 December 2004 were in Renminbi and the Group continues to derive its revenue mainly in the same currency. Its exposure to currency exchange rate fluctuation is not significant.

Capital commitment contracted for but not provided in the financial statement at 31 December 2004 was approximately HK\$21.9 million (at 30 June 2004: HK\$23.9 million).

The debt equity ratio at 31 December 2004 was 0.09, compared with 0.11 at 30 June 2004.

The Group's current ratio at 31 December 2004 was further improved to 1.63, as compared with 1.26 at 30 June 2004. Quick ratio was also improved to 1.32, as compared with 0.98 at 30 June 2004.

HUMAN RESOURCES

As at 31 December 2004, the Group had 2,229 employees of which 2,223 were employed in the PRC for the Group's retailing and manufacturing business.

The Group offers competitive remuneration packages to its employees, and provides benefits such as staff insurance, retirement scheme, discretionary bonus and option scheme, and provides both in-house and external training programs to strengthen the Group's human resources.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2004, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any of 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 under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of

