

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

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:

**(a) Long positions in shares of the Company**

	Number of ordinary shares of HK\$0.01 each (note)	Percentage of total issued shares at 31 December 2004
Tan Sim Chew	252,805,226	18.98
Chen Miao Zhu	6,500,000	0.49
Fu Zi Cong	574,000	0.04

*Note:* These shares are held by the respective directors personally as beneficial owner.

**(b) Long positions in underlying shares of equity derivatives of the Company**

Share options were granted to certain directors of the Company pursuant to the share option scheme of the Company. Details of the interests of the directors in share options granted by the Company are set out under the section “Share Option Scheme” of this report.

Save as disclosed above, as at 31 December 2004, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation which have been recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

