

The debt equity ratio at 31 December 2005 was zero, compared with 0.09 at 30 June 2005.

The Group's current ratio at 31 December 2005 was further improved to 2.08, as compared with 1.68 at 30 June 2005. Quick ratio was also improved to 1.51, as compared with 1.23 at 30 June 2005.

HUMAN RESOURCES

At 31 December 2005, the Group had 2,437 employees of which 2,430 were employed in the PRC for the Group's retailing and manufacturing business.

The Group offers competitive remuneration packages to its employees, such as staff insurance, retirement scheme, discretionary bonus and option scheme, and provides both in-house and external relevant training programs to strengthen the Group's human resources and keep high quality personnel at all levels.

DIRECTORS' INTERESTS IN SHARES

The Directors and chief executive of the Company who held office at 31 December 2005 had the following interests in the shares of the Company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) at that date as recorded in the register of Directors' and chief executive's interests and short positions required to be kept under section 352 of the SFO:

Long positions in shares of the Company

	Number of ordinary shares of HK\$0.01 each <i>(note 1)</i>	Percentage of total issued shares at 31 December 2005
Tan Sim Chew	258,165,226	19.38
Chen Miao Zhu	6,500,000	0.49
Fu Zi Cong	574,000	0.04

Note:

1. These shares are held by the respective directors personally as beneficial owner.
2. Madam Chen Miao Zhu resigned as a director of the Company on 6 March 2006.

Save as disclosed above, as at 31 December 2005, 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.

SHARE OPTION SCHEME

A share option scheme for employees was approved on 5 May 1997 ("Former Share Option Scheme") and the directors might, at their discretion, invite any employees or directors of the Group, to take up options to subscribe for shares of the Company. The Former Share Option Scheme would remain in force for a period of 10 years commencing on 5 May 1997.