

A significant portion of sales and purchases of the Group were either denominated in Hong Kong or US dollars. The Directors consider that the operations of the Group are not exposed to any significant foreign exchange risk in view of the stability of the exchange rates between Hong Kong and US dollars. The Group did not have any hedging instrument outstanding as at 31 December 2004.

At 31 December 2004, the Group's current assets amounted to approximately HK\$255.4 million (30 June 2004: HK\$221.5 million) and the Group's current liabilities amounted to approximately HK\$99.2 million (30 June 2004: HK\$91.3 million). The Group's current ratio remained to stay at a sound level at approximately 2.6 as at 31 December 2004 (30 June 2004: 2.4). At 31 December 2004, the Group had total assets of approximately HK\$498.6 million (30 June 2004: HK\$411.6 million) and total liabilities of approximately HK\$112.4 million (30 June 2004: HK\$97.6 million) with a gearing ratio of approximately 15.5% (30 June 2004: 16.7%). The gearing ratio was expressed as a ratio of bank borrowings to total assets. The decrease in gearing ratio was mainly attributable to the net increase in total assets as a result of the proceeds received from the exercise of share options.

## **NUMBER AND REMUNERATION OF EMPLOYEES**

At 31 December 2004, the Group had 96 staff for its operations in Hong Kong, Macau and the PRC. The Group's employees are remunerated in accordance with their work performance and experience. The Group also participates in a defined Mandatory Provident Fund Scheme for its staff in Hong Kong and a retirement benefit scheme for its staff in the PRC. The Group has adopted a share option scheme of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. At the date of this interim report, a total of 6,600,000 share options remain unexercised.

## **DISCLOSURE OF ADDITIONAL INFORMATION**

### **Directors' interests and short positions in equity or debt securities**

At 31 December 2004, the interests and short positions of the Directors, the chief executive of the Company and their respective associates in shares, underlying shares (in respect of equity derivatives) and debentures of the Company and 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