

BUSINESS REVIEW AND PROSPECTS (Continued)

In July 2002, the Group acquired a Japan listed footwear distributor, Secaicho Corporation, at a consideration of more than US\$5 million by way of new issue of shares. This company is of over 80 years' history, and owns enormous sales network in Japan, as well as its own brand name Topaz, and was authorized sales brand names such as Elle and Champion. Secaicho becomes the Group's strategic partner in Japan and obtained syndicate effect, which enables the Group effectively explore the footwear market of Japan, and the Group with Secaicho will be agent for overseas brand names for sales in Japan and the Asian Region.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June 2002, the Group's total assets is US\$155,171,000, including current liabilities of US\$37,660,000, long term liabilities of US\$12,131,000 and shareholders' fund of US\$105,379,000. The current ratio was approximately 1.62 times and the ratio of total bank borrowings to shareholders' fund was 26%. The Group services its debts primarily through cashflow generated from its operation. The Directors believe that the Group has maintained sufficient working capital for its operation and future expansion.

DIRECTORS' INTERESTS IN SHARES

At 30th June, 2002, the interests of the directors and their associates in the share capital of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, were as follows:

Name of director	Nature of interest	Number of shares
Mr. Thomas Wu Chen San	Personal	(Note 1)
Mr. Michael Wu Jenn Chang	Corporate	(Note 1)
	Personal	1,000 ordinary shares of Topstair International (Taiwan) Ltd.
	Family (Note 2)	1,000 ordinary shares of Topstair International (Taiwan) Ltd.
Mr. Jackson Wu Jenn Tzong	Corporate	(Note 1)
	Personal	1,000 ordinary shares of Topstair International (Taiwan) Ltd.
	Family (Note 2)	1,000 ordinary shares of Topstair International (Taiwan) Ltd.
Mr. Arthur Yang Chih Chieh	Corporate	(Note 1)
	Family (Note 3)	7,193,970 ordinary shares of the Company