

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2003, the register of substantial shareholders maintained under Section 336 of the SFO showed that the following shareholder had an interest of 5% or more of the issued capital of the Company:

Long position in shares

| Name of shareholder | Number of ordinary shares of the Company held | Percentage of issued share capital % |
|-------------------------------------|---|--------------------------------------|
| Pegasus Footgear Management Limited | 468,743,940 | 64 |

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the issued share capital of the Company or short positions as at 30th June, 2003.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied throughout the six months ended 30th June, 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements.

By Order of the Board
Thomas Wu Chen San
Chairman

Hong Kong, 22nd September, 2003