

Acquisition of Misto Worldwide Limited

On 12 July 2004, the Group acquired Misto Worldwide Limited ("MWL"), MWL is an investment holding company holding interests in four wholly-owned operating subsidiaries namely Grand Golden Enterprises Limited, Gold Loyal Enterprises Inc., Grand Galatica Limited and Fuqing Grand Galatica Footwear Co. Ltd. They are engaged in the business of trading, marketing and manufacturing of footwear in the People's Republic of China.

DIRECTORS' DISCLOSURE OF INTERESTS

As at the 30 June 2004, the interests of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors or the chief executive were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

Long Position in Shares

Name of Director	Notes	Nature of interests	Number of Shares	% of the issued share capital
Chan Ting Chuen	1	Corporate	704,903,240	63.52
Chan Ting Chuen		Personal	6,600,000	0.59
Sze Sun Sun, Tony	1	Corporate	704,903,240	63.52
Sze Sun Sun, Tony		Personal	3,300,000	0.30
Li Kwok Lung, Alfred Ronald		Personal	11,659,945	1.05

Notes :

1. Well Success Investment Limited ("Well Success") is directly interested in 559,703,240 shares of the Company and deemed to be interested in 145,200,000 shares of the Company held by Ko Shing Limited ("Ko Shing") which is its wholly owned subsidiary.

First Dynamic International Limited ("First Dynamic") holds more than one-third of the issued share capital of Well Success. Royal Pacific Limited ("Royal Pacific") and Alexon International Limited ("Alexon International") each holds more than one-third of the issued share capital of First Dynamic.

Chan Ting Chuen is interested in the entire issued share capital of Royal Pacific. Chan Ting Chuen is deemed to be interested in 704,903,240 shares held by Well Success by virtue of his interests in Royal Pacific.

Sze Sun Sun, Tony is interested in the entire issued share capital of Alexon International and is deemed to be interested in 704,903,240 shares held by Well Success by virtue of his interests in Alexon International.

Short Position in Shares

Save as disclosed above, as at the 30 June 2004, to the knowledge of the Company, none of the directors, or chief executive of the Company had or was deemed to have any short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and the chief executive are taken or deemed to have under the provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.