



19 September 2003

The Australian Stock Exchange  
Company Announcements Office,

Dear Sir,

**Change of ownership percentage in controlled entity.  
Release of shares from escrow – Listing Rule 3.10A.**

In conjunction with the acquisition of California Sun Shades Inc. ("CalShades") in November 2002, Gale Pacific Limited took an 85% ownership in a Chinese Joint Venture Company ("JV") which manufactured products for CalShades, USA distribution.

Gale Pacific Limited has now purchased the remaining 15% share of the JV at net book value of approx. \$US 400,000. Gale has obtained the relevant Chinese Government approval to operate as a wholly foreign owned enterprise in China.

Concurrently, the Company has also released from escrow the remaining 189,811 shares issued as part of the CalShades acquisition, which we have been informed have been placed.

Yours Faithfully

A handwritten signature in black ink, appearing to read "Rod House", enclosed within a hand-drawn oval shape.

**Rod House**  
**Company Secretary**