



Panorama International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

THIRD QUARTERLY REPORT 2023/24

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Panorama International Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Panorama International Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER, 2003

The Board of Directors (the “Board”) of Panorama International Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three and nine months ended 31 December, 2003 together with the comparative unaudited figures for the corresponding period in 2002 as follows:

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
		31 December,		31 December,	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3	36,081	15,506	73,718	39,756
Cost of sales		(28,362)	(7,155)	(45,368)	(20,413)
Gross profit		7,719	8,351	28,350	19,343
Other operating income		14	23	82	203
Distribution costs		(112)	(407)	(612)	(1,181)
Administrative expenses		(4,631)	(5,643)	(14,743)	(16,297)
Other operating expenses		(593)	(484)	(1,695)	(1,210)
Profit from operations		2,397	1,840	11,382	858
Finance costs		(282)	(151)	(846)	(302)
Profit before taxation		2,115	1,689	10,536	556
Taxation	4	1,381	(144)	(162)	(220)
Profit before minority interests		3,496	1,545	10,374	336
Minority interests		(322)	–	(322)	–
Net profit for the period		3,174	1,545	10,052	336
Earnings per share – Basic	5	0.79 cent	0.39 cent	2.51 cents	0.08 cent
Earnings per share – Diluted	5	0.78 cent	N/A	2.47 cents	N/A

1. Basis of Presentation

The condensed consolidated results for the nine months ended 31 December, 2003 (the “Third Quarterly Results”) have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. Third Quarterly Results have not been audited by the Company’s auditors but has been reviewed by the Company’s audit committee.

2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention.

The same accounting policies adopted in the consolidated financial statements of the Group for the year ended 31 March, 2003 have been applied to the Third Quarterly Results.

The Group has adopted the revised Statement of Standard Accounting Practice 12 “Income Taxes” (“SSAP12”) which became effective on 1 January, 2003. The adoption of the revised SSAP12 has no material effect on the Group’s financial results for the nine months ended 31 December, 2003.

3. Turnover

Turnover represents the net amounts received and receivable for sales of goods by the Group to outside customers, less returns and allowances, and revenue received and receivable from sub-licensing of film rights and film exhibition, and is analysed as follows:

	Three months ended		Nine months ended	
	31 December,		31 December,	
	2003	2002	2003	2002
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Sales of goods	14,730	13,483	47,402	36,172
Sub-licensing of film rights	1,538	2,023	5,697	3,584
Film exhibition	19,813	—	20,619	—
	<u>36,081</u>	<u>15,506</u>	<u>73,718</u>	<u>39,756</u>

4. Taxation

	Three months ended		Nine months ended	
	31 December,		31 December,	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong Profits Tax				
Current year	1,381	(54)	(86)	(68)
Underprovision in prior years	–	(86)	–	(86)
Taxation in other jurisdictions	–	(4)	(76)	(66)
Taxation attributable to the Group	<u>1,381</u>	<u>(144)</u>	<u>(162)</u>	<u>(220)</u>

Hong Kong Profits Tax is calculated at 17.5% (2002: 16%) of the estimated assessable profit for the period. Taxation arising on other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

5. Earnings Per Share

The calculation of the basic earnings per share is based on the unaudited net profit for the period for the three months and nine months ended 31 December, 2003 of approximately HK\$3,174,000 and HK\$10,052,000 respectively (three months and nine months ended 31 December, 2002: HK\$1,545,000 and HK\$336,000 respectively) and the weighted average number of approximately 400,826,000 and 400,617,000 ordinary shares respectively for the three months and nine months ended 31 December, 2003 (three months and nine months ended 31 December, 2002: 400,000,000 ordinary shares) in issue during the periods on the assumption that the Group Reorganisation and the capitalisation issue of 333,200,000 shares as set out in Appendix V to the prospectus of the Company dated 30 April, 2002 (the “Prospectus”) had been outstanding for each period presented.

The calculation of diluted earnings per share is based on the unaudited net profit for the period for the three months and nine months ended 31 December, 2003 of approximately HK\$3,174,000 and HK\$10,052,000 respectively (three months and nine months ended 31 December, 2002: HK\$1,545,000 and HK\$336,000 respectively) and the diluted weighted average number of approximately 407,786,000 and 406,270,000 ordinary shares respectively for the three months and nine months ended 31 December, 2003. They have been calculated after taking into account all dilutive instruments outstanding as at 31 December, 2003. The effect of the dilutive potential ordinary shares resulting from the exercise of the outstanding share options on the weighted average number of shares in issue during the three months and nine months ended 31

December, 2003 were approximately 6,560,000 shares and 5,653,000 shares respectively which were deemed to have been issued at no consideration as if all outstanding share options has been exercised on the date the options were granted.

Diluted earnings per share is not presented for the three months and nine months ended 31 December, 2002 as there were no dilutive potential ordinary shares in existence during the periods.

6. Reserves

	Share capital	Share premium	Special reserve	Translation reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April, 2002	1	-	10,440	(4)	15,135	25,572
Issue of shares	667	21,344	-	-	-	22,011
Issue of shares by capitalisation of share premium account	3,332	(3,332)	-	-	-	-
Share issue expenses	-	(5,111)	-	-	-	(5,111)
Net profit for the period	-	-	-	-	336	336
	<u>4,000</u>	<u>12,901</u>	<u>10,440</u>	<u>(4)</u>	<u>15,471</u>	<u>42,808</u>
At 31 December, 2002	<u>4,000</u>	<u>12,901</u>	<u>10,440</u>	<u>(8)</u>	<u>15,436</u>	<u>42,768</u>
At 1 April, 2003	4,000	12,900	10,440	(8)	15,436	42,768
Issue of shares	16	36	-	-	-	52
Net profit for the period	-	-	-	-	10,052	10,052
	<u>4,016</u>	<u>12,936</u>	<u>10,440</u>	<u>(8)</u>	<u>25,488</u>	<u>52,872</u>
At 31 December, 2003	<u>4,016</u>	<u>12,936</u>	<u>10,440</u>	<u>(8)</u>	<u>25,488</u>	<u>52,872</u>

The special reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group Reorganisation to rationalise the group structure in preparation of the listing of the Company's shares on the GEM of the Stock Exchange and the nominal value of the Company's shares (the "Shares") issued in exchange. Details of the Group Reorganisation are set out in the Prospectus.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December, 2003 (2002: Nil).

BUSINESS AND FINANCIAL REVIEW

The third quarterly period ended 31 December, 2003 witnessed reviving consumer confidence and encouraging consumer sentiment in the film industry. The growing market with a promising outlook provided the Group with a positive business environment to implement its “through-train” concept formulated during the interim period on the revenue-drawing line through three main directions of business expansion, from acquisition of mainstream video release of local and foreign titles, to investment in the production of local titles, and the empowerment of the Group’s theatrical-release arms.

On the financial side, the Group’s turnover for the nine months ended 31 December, 2003 (the “Nine-Month Period”) amounted to approximately HK\$73,718,000 (2002: HK\$39,756,000), representing approximately a 85% increase as compared to that of the same period in 2002. Sales of goods for the Nine-Month Period amounted to approximately HK\$47,402,000 (2002: HK\$36,172,000), representing a rise of approximately 31% over the corresponding period last year. Sub-licensing income for the Nine-Month Period was approximately HK\$5,697,000 (2002: HK\$3,584,000), representing approximately a 59% increase when compared to that of the same period in 2002. Film exhibition for the Nine-Month Period was approximately HK\$20,619,000 but no such comparable amount was recorded in the corresponding period last year. Net profit for the Nine-Month Period amounted to approximately HK\$10,052,000 (2002: HK\$336,000), representing a rocketing soar of approximately 2,892% over the corresponding Nine-Month Period last year.

On the operation side, the third quarter of 2003 has put into practice the “through-train” concept the Group established on the revenue drawing line, from local film production to theatrical release and distribution.

The Group has obtained exclusive video rights from Golden Scene Company Limited for all of its theatrical titles. Some of the popular titles released include: SCARY MOVIE 3, A TALE OF TWO SISTERS and THE UNINVITED. A comedy spoof series that knows no fear again with its funniest installment, SCARY MOVIE 3 takes shots at the latest crop of blockbusters and irreverently roasts THE RING, SIGNS, MATRIX RELOADED, 8 MILE, THE OTHERS and more, as well as pop culture trends such as AMERICAN IDOL. A TALE OF TWO SISTERS,

directed by Kim Jee-woon, the well-known Korean director of *THREE* and *PHONE*, with the storyline of two sisters, who, after spending time in a mental institution, return home to deal with their stepmother's obsessive and unbalanced behaviour, deals with the issue of morality in the form of the classical battle between good and evil, and constitutes the director's perspective on social conflict and anxiety in its portrayal of a dysfunctional family life. *THE UNINVITED*, starring Jeon Ji Hyun, is about a girl, with a voice somewhat husky and wicked like a witch, who has the gift of seeing the dead. These titles triggered quite a loud noise during their theatrical release and managed to lure a considerable number of audience during the video release.


Besides distributing popular foreign language movies, the Group has taken great effort in exploring the local film market. In a strategic alliance with China Star Entertainment Limited since October 2003, the Group successfully obtained exclusive distribution rights for home video production of a series of local Chinese theatrical movies. Among them, the video release of *THE SPY DAD*, directed by Wong Jing, starring Tony Leung Ka-fai, Gillian Chung Yan-tung, Jordan Chan Siu-chun and Edison Chen, and *LOST IN TIME*, starring Lau Ching-wan, Cecilia Cheung and Louis Koo, has proven to be a significant revenue drawer for the Group.

In partnership with China Star Entertainment Limited, the Group has jointly invested in the production of *NAKED AMBITION*, a comedy starring Louis Koo and Eason Chan, depicting the story of typical Hong Kong youths who try to establish their own business. The comedy debuted its theatrical release in October 2003 and made an encouraging box office record. Subsequent video release of the title has been and will continue to be an effective stimulant to the sales figure of the Group.

PROSPECTS

In the coming quarterly period, the Group will continue to establish its "through-train" concept on the revenue-drawing line.

The Group will continue its endeavour to adhere to its key strategy of acquiring more popular film rights and new releases. Titles scheduled for theatrical and video release in the coming quarterly period include *LOST IN TRANSLATION*, *21 GRAMS*, and *HUMAN STAIN*.



LOST IN TRANSLATION, the year's most celebrated film, was a critically acclaimed box office smash. It has by far won three Golden Globe Awards (Best Picture, Best Actor, Best Screenplay) in 2004 and swept 20 awards in 2003, from Athens International Film Festival, New York Film Critics Circle Awards, San Francisco Film Critics Circle, San Paulo International Film Festival Critics Award, Toronto Film Critics Association Awards, Venice Film Festival, Boston Society of Film Critics Awards, Southeastern Film Critics Association Awards and Valladolid International Film Festival. Directed by Sofia Coppola of THE VIRGIN SUICIDES, LOST IN TRANSLATION generates a profound sense of desire for the ephemeral, for nuances of feeling and luxury of loss. Featuring Bill Murray and Scarlett Johansen, LOST IN TRANSLATION depicts the story of two lonely Americans (a washed-up TV star in Tokyo for a TV whiskey commercial shoot, facing a mid-life crisis, and the very young wife of a photographer, having an identity crisis), who cross paths in a Tokyo bar and the chance encounter sparks a series of hilarious adventures creating an unexpected connection that might not last, but will stay with them forever. LOST IN TRANSLATION is scheduled for theatrical release in February 2004 and this popular award-sweeping film can be expected to draw large audience.

Another award-winning film the Group has successfully obtained the film rights is 21 GRAMS. The 2004 Independent Spirit Awards nominating committee extended a special distinction award to the film for its "uniqueness of vision, bold conception and direction, the honesty of its screenwriting, bravery of its performances and achievement on every level of filmmaking". 21 GRAMS is the new film from the Academy Award-nominated director of AMORES PERROS Alejandro Gonzalez Inarritu. It is a story of hope and humanity, of resilience and survival, exploring the emotionally and physically charged existences of three people over a period of several months, during which an accident unexpectedly throws their lives and destinies together, taking them to the heights of love, the depths of revenge, and the promise of redemption. The lead actors in 21 GRAMS are three-time Academy Award nominee Sean Penn, Academy Award winner Benicio Del Toro, and award-winning actress Naomi Watts. The actors were all honored at the film's world premiere at the 2003 Venice International Film Festival, where Sean Penn won Best Actor and Benicio Del Toro and Naomi Watts earned the Audience Awards for Best Actor and Actress. Scheduled for theatrical release in February 2004, this title will surely be a box office hit and a significant revenue drawer for the Group.

HUMNA STAIN, nominated for Best Contemporary Makeup Feature in 2004 Hollywood Makeup Artist and Hair Stylist Guild Award, stars Oscar winners Anthony Hopkins and Nicole Kidman, as well as Oscar nominees Gary Sinise and Ed Harris. It is a story of a distinguished professor at a prestigious New England college whose professional life is shattered by allegation of racism and whose personal life is infected with the cancer of a lie he has been living for fifty years. The story evolves when he begins a dynamic resurrection through two new relationships: a friendship with the writer whom he intrigues with his story and a scandalous affair with a young woman. A classic American tale of cultural biases in collision with uncompromising individualism, HUMAN STAIN can be expected to smash box office records during its theatrical release in March.

For all these award-winning foreign titles, revenue will be drawn not only from the box office but also from the subsequent video production. It can be expected that the release of these titles will be an effective stimulant to the sales figures of the Group.

Besides the acquisition of quality film titles, the Group has also extended its antenna in the role of theatrical distribution agency by establishing Go Film Distribution Limited (“Go Film”) in September 2003, in partnership with two leading chain-theatre-owners and a well-established theatrical-title distribution in Hong Kong. Go Film, a film-release facilitator to the Group and a distribution agency in the film industry, is poised to enlist the best local productions and facilitate their theatrical release, hoping to stimulate the local film production field and to provide Hong Kong audience with a wider spectrum of quality Chinese film titles to choose from. Among the titles Go Film is going to release, LEAVING ME LOVING YOU is one of the attractive ones that is poised to smash the local box office record. Starring Leon Lai and Faye Wong, LEAVING ME LOVING YOU explores the true meaning of love through the story of two ex-lovers and how their passion is gone with no tears or quarrel, ending the relationship too tragically and too quietly. In view of the encouraging box office record of the film titles that Go Film released, including GOLDEN CHICKEN 2 and NAKED AMBITION, it can be expected that Go Film will be one of the important revenue drawers which will benefit the business of the Group when lining up other film titles for upcoming theatrical release.

In the Nine-Month Period, the Group has made a satisfactory step in implementing the “through-train” concept on its business expansion. Acquisition of mainstream video release of local and foreign titles will continue to form the core business of the Group; investment in the production of local titles has been satisfactory and profit-yielding; the Group’s theatrical-release arms are shown to have made a successful start. With an on-going positive business environment in the movie industry, a rosy outlook can be expected of the Group.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS

As at 31 December, 2003, the interests or short positions of the Directors and the chief executive of the Company in the Shares and underlying shares of the Company or any of 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 under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange, pursuant to the minimum standards of dealing by Directors in Rule 5.40 of the GEM Listing Rules were as follows:

(a) Shares

Long positions in Shares

Name of Directors	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate percentage of issued Shares
Mr. Fung Yu Hing, Allan	18,331,500	–	233,340,000 <i>(Note 1)</i>	–	251,671,500	62.67%
Mr. Fung Yee Sang	31,663,500	–	–	–	31,663,500	7.88%

Note 1: These Shares are beneficially owned by and registered in the name of Allan Fung Assets Limited, which is beneficially owned as to 75% by Mr. Fung Yu Hing, Allan, as to 20% by Ms. Leung Siu Kuen, Janet and as to 5% by Ms. Fung Suen Lai, Jacqueline. Ms. Leung Siu Kuen, Janet is the wife of Mr. Fung Yu Hing, Allan and is an executive Director. Ms. Fung Suen Lai, Jacqueline is the daughter of Mr. Fung Yu Hing, Allan and is a non-executive Director. Accordingly, Mr. Fung Yu Hing, Allan is deemed to be interested in the 233,340,000 Shares held by Allan Fung Assets Limited under the SFO.

(b) Share options

Each of the Directors (including executive, non-executive and independent non-executive) had been granted certain share options under the Pre-IPO Share Option Scheme (as defined below). Details of such share options are set out in the paragraph headed “Pre-IPO Share Option Scheme” under the section headed “Share Option Schemes” below.

Save as disclosed above, as at 31 December, 2003, none of the Directors or their associates as well as the chief executive of the Company had any interests or short positions in the Shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by Directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules.

SHARE OPTION SCHEMES

(a) Share Option Scheme

Pursuant to the share option scheme (the “Share Option Scheme”) of the Company adopted on 25 April, 2002, the Board may grant options to the employees (whether full time or part-time), directors (whether executive, non-executive or independent non-executive) and consultants or advisers of the Company and/or its subsidiaries to subscribe for Shares at such price as the Board shall determine, provided that such price shall not be less than the highest of (i) the closing price per Share on GEM as stated in the Stock

Exchange's daily quotation sheet on the date of offer of the option; (ii) the average closing prices per Share on GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of the option; and (iii) the nominal value of a Share. An option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee provided that the period within which the Shares may be taken up under the option must not be more than 10 years from the date of grant of the option.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes (including the Pre-IPO Share Option Scheme as described below) must not exceed 30% of the issued share capital of the Company from time to time.

As at the date of this report, no option has been granted or agreed to be granted to any person under the Share Option Scheme.

(b) Pre-IPO Share Option Scheme

Pursuant to another share option scheme (the "Pre-IPO Share Option Scheme") of the Company adopted on 25 April, 2002, the Board has granted options to 45 persons (comprising all eight Directors (including executive, non-executive and independent non-executive), five senior management staff and thirty-two other full-time employees of the Group) to subscribe for an aggregate of 40,000,000 Shares as to 20,000,000 Shares at a subscription price per Share equal to 10% of the Placing Price (i.e. HK\$0.33) (as defined in the Prospectus) which subscription price is approximately equivalent to HK\$0.033 (options granted at this price being referred to below as "Pool A Options") and as to the remaining 20,000,000 Shares at a subscription price per Share equal to 70% of the Placing Price which subscription price is approximately equivalent to HK\$0.231 (options granted at this price being referred to below as "Pool B Options"). All of these options have a duration of 10 years from and including the date on which dealings in the Shares on GEM first commence on 9 May, 2002, but each shall lapse in accordance with the terms of the Pre-IPO Share Option Scheme if the relevant grantee ceases to be an eligible participant or on any other grounds set out in the Pre-IPO Share Option Scheme as defined in the Prospectus. All share options granted under the Pre-IPO Share Option Scheme can only be exercised after

twelve months from 9 May, 2002. As at 31 December, 2003, options to subscribe for an aggregate of 31,900,000 Shares had been granted to certain Directors and employees of the Group under the Pre-IPO Share Option Scheme, including options to subscribe for an aggregate of 24,800,000 Shares granted to certain Directors as stated below and an aggregate of 7,100,000 Shares granted to 23 employees of the Group. The particulars of the share options granted under the Pre-IPO Share Option Scheme to the Directors are set out below:—

Name of Directors	Date of grant	Number of underlying shares attributable to both Pool A Options and Pool B Options	Approximate percentage of issued Shares
Mr. Fung Yu Hing, Allan	25 April, 2002	7,000,000 (4,000,000 to Pool A Options and 3,000,000 to Pool B Options)	1.7430%
Ms. Leung Siu Kuen, Janet	25 April, 2002	6,000,000 (4,000,000 to Pool A Options and 2,000,000 to Pool B Options)	1.4940%
Mr. Fung Yee Sang	25 April, 2002	6,000,000 (4,000,000 to Pool A Options and 2,000,000 to Pool B Options)	1.4940%
Mr. Au Lik Man, Simon	25 April, 2002	2,000,000 (1,000,000 to Pool A Options and 1,000,000 to Pool B Options)	0.4980%
Dr. Lo Wing Yan, William	25 April, 2002	2,300,000 (1,800,000 to Pool A Options and 500,000 to Pool B Options)	0.5727%
Ms. Fung Suen Lai, Jacqueline	25 April, 2002	500,000 (to Pool B Options)	0.1245%
Mr. Chan Koon Chung, Johnny	25 April, 2002	500,000 (to Pool B Options)	0.1245%
Mr. Chau, Stephen	25 April, 2002	500,000 (to Pool B Options)	0.1245%

SUBSTANTIAL SHAREHOLDERS

As at 31 December, 2003, the following persons had an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or were directly interested in 10% or more of the nominal value of any class of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in Shares

Name of shareholders	Number of Shares	Nature of interests	Approximate percentage of issued Shares
Allan Fung Assets Limited	233,340,000 (<i>Note 1</i>)	Corporate	58.10%
Mr. Fung Yu Hing, Allan	251,671,500 (<i>Note 2</i>)	Personal	62.67%

Notes:

1. These 233,340,000 Shares are beneficially owned by and registered in the name of Allan Fung Assets Limited which is beneficially owned as to 75% by Mr. Fung Yu Hing, Allan, as to 20% by Ms. Leung Siu Kuen, Janet and as to 5% by Ms. Fung Suen Lai, Jacqueline. Ms. Leung Siu Kuen, Janet is the wife of Mr. Fung Yu Hing, Allan and is an executive Director. Ms. Fung Suen Lai, Jacqueline is the daughter of Mr. Fung Yu Hing, Allan and is a non-executive Director. Accordingly, Mr. Fung Yu Hing, Allan is also deemed to be interested in the 233,340,000 Shares held by Allan Fung Assets Limited under the SFO.
2. Of these 251,671,500 Shares, 18,331,500 Shares are held by Mr. Fung Yu Hing, Allan personally and the remaining 233,340,000 Shares (in which Mr. Fung Yu Hing, Allan is deemed to be interested under the SFO as mentioned in Note 1 above) are held by Allan Fung Assets Limited.

OTHER SHAREHOLDER

As at 31 December, 2003, the following person had an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or was directly interested in 5% or more of the nominal value of any class of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long position in Shares

Name of shareholders	Number of Shares	Nature of interests	Approximate percentage of issued Shares
Mr. Fung Yee Sang	31,663,500	Personal	7.88%

Save as disclosed above, as at 31 December, 2003, there is no person who had an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors, the management shareholders or the substantial shareholders (as defined under the GEM Listing Rules) of the Company, or any of their respective associates had any interest in a business which competes or may compete with the business of the Group.

SPONSOR'S INTEREST

As at 31 December, 2003, neither First Shanghai Capital Limited (the "Sponsor") nor its directors or employees or associates (as referred in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group.

Pursuant to the sponsorship agreement dated 29 April, 2002 entered into between the Company and the Sponsor, the Sponsor has received and will receive fees for acting as the Company's retained sponsor for the period from 9 May, 2002 to 31 March, 2005 or until the sponsorship agreement is terminated upon the terms and conditions set out therein.

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

During the nine months ended 31 December, 2003, neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the Company's listed securities.

BOARD PRACTICE AND PROCEDURES

For the nine months ended 31 December, 2003, the Company had been in compliance with the Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee (the "Committee") on 25 April, 2002 with written terms of reference in compliance with the requirements as set out in Rule 5.23 of the GEM Listing Rules. The primary duties of the Committee are to review the Company's annual report and financial statements, half-yearly reports and quarterly reports and to provide advice and comments to the Board. The Committee will also be responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The Committee comprises one non-executive Director, namely Dr. Lo Wing Yan, William, JP and two independent non-executive Directors, namely Mr. Chan Koon Chung, Johnny and Mr. Chau Stephen.

By Order of the Board
Panorama International Holdings Limited
Fung Yu Hing, Allan
Chairman

Hong Kong, 10 February, 2004