

Notes:

1. These interests represented Mr. Chau Cham Wong, Patrick's beneficial interests in 61,268,611 shares and 12,007,992 underlying shares in respect of warrants issued by the Company.
2. These interests represented United Success Enterprises Limited's beneficial interests in 60,159,991 shares and 11,790,715 underlying shares in respect of warrants issued by the Company.
3. These interests represented A-ONE's beneficial interests in 201,869,599 shares and 7,884,282 underlying shares in respect of warrants issued by the Company.
4. Additional disclosure.

Save as disclosed above, the Company has not been notified of any other person (other than directors of the Company) 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 by the Company pursuant to Section 336 of the SFO as at 30th September, 2003.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30th September, 2003, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities.

PRACTICE NOTE 19 OF THE LISTING RULES

In accordance with the disclosure requirements of paragraph 3.7.1 of Practice Note 19 of the Listing Rules, the following disclosures are included in respect of a facility agreement dated 14th October, 2003 relating to a 3.5-year syndicated loan of HK\$380 million (the "Facility") made available to the Company (the "Facility Agreement").

The Facility Agreement contains certain events of default including:

- (a) if Mr. Chau Cham Wong, Patrick ceases at any time during the subsistence of the Facility Agreement to be the Chairman of the Company and the Group; and



- (b) if Mr. Chau Cham Wong, Patrick and Mr. Leung Yung collectively are no longer the single largest shareholder of the Company, holding beneficially (directly or indirectly) more than 35% of the voting share capital of the Company; or no longer control the Board of the Company.

Upon the occurrence of an event of default under the Facility Agreement and so long as it is continuing, BNP Paribas Hong Kong Branch as agent may, inter alia, upon instructions from the majority lenders declare that all or part of the Facility, together with accrued interest, and all other amounts accrued under the finance documents as referred to under the Facility Agreement be immediately due and payable.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited Interim Accounts.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for the six months ended 30th September, 2003, in compliance 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 except that non-executive directors are not appointed for a specific term as they are subject to retirement by rotation at annual general meeting of the Company in accordance with the Company's Bye-laws.

APPRECIATION

The Board is thankful to Peace Mark's business partners, bankers, investors as well as its shareholders and dedicated staff, for their support in achieving the Group's achievement.

On behalf of the Board
Chau Cham Wong, Patrick
Chairman

Hong Kong, 18th December, 2003