

PURCHASE, SALES, OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30th September, 2004, the Company repurchased its own shares through The Stock Exchange of Hong Kong Limited as follows and all these shares have been duly cancelled:

Month of purchase	Number of ordinary shares of HK\$0.10 each	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
August 2004	800,000	1.27	1.24	1,010

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company listed securities during the period.

AUDIT COMMITTEE

The Company has an audit committee, which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises four (five since 17th December, 2004) independent non-executive directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters including review of the unaudited condensed consolidated interim accounts for the six months ended 30th September, 2004.

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, 2004, 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 save that the independent 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, shareholders and dedicated staff for their continuous support in achieving the Group's achievement.

On behalf of the Board
Chau Cham Wong, Patrick
Chairman

Hong Kong, 20th December, 2004