



GOLD-FACE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)



KARL THOMSON HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

**OPTION DEED ENTERED INTO BETWEEN PROFIT INTERNATIONAL ENTERPRISE LIMITED AND
GOLD-FACE HOLDINGS LIMITED
WAIVER OF CONDITIONS WITH RESPECT TO THE WHITEWASH WAIVER**

Joint Financial Advisers to Profit International Enterprise Limited



REXCAPITAL (HONG KONG) LIMITED KARL THOMSON FINANCIAL ADVISORY LIMITED



On 2 July 2003, Profit International and Gold-Face entered into the Option Deed which shall be conditional upon, among others, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the independent shareholders of Gold-Face.

Profit International has been advised by Gold-Face that the Annual Results are expected to be published on or before 20 November 2003. The board of directors of Profit International considers that the shareholders of Gold-Face would not have sufficient information to make an informed decision as to whether to vote for approval of the Whitewash Waiver without the Annual Results. The delay in the publication of the Annual Results by Gold-Face would render the fulfillment of the conditions with respect to the Whitewash Waiver before the long-stop date of the Option Deed of 31 December 2003 impracticable. Profit International has therefore decided to waive the conditions with respect to the Whitewash Waiver.

Reference is made to the announcements of Karl Thomson Holdings Limited ("**Karl Thomson**") and Gold-Face Holdings Limited ("**Gold Face**") dated 11 July 2003 (the "**Announcements**"). Unless the context requires otherwise, terms defined in the Announcements shall have the same meanings in this announcement.

On 2 July 2003, Profit International and Gold-Face entered into the Option Deed which shall be conditional upon, among others, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the independent shareholders of Gold-Face and Profit International may, at its absolute discretion, waive such condition. It was also disclosed in the Announcements that Profit International and its concert parties would apply to the Executive as soon as practicable for the Whitewash Waiver and a Whitewash Waiver document will be despatched to the shareholders of Gold-Face within 21 days from the date of the Announcements.

Profit International has been informed by Gold-Face that the audited annual results of the Gold-Face Group for the financial year ended 31 March 2003 (the "Annual Results") are only expected to be published on or before 20 November 2003 which was disclosed in the announcement of Gold-Face dated 30 July 2003. The board of directors of Profit International considers that, without the Annual Results, there would not be sufficient information to prepare a meaningful Whitewash Waiver document for the shareholders of Gold-Face to make an informed decision as to whether to vote for the Whitewash Waiver.

As such, the board of directors of profit International considers that it may not be practicable to obtain the necessary approval for the Whitewash Waiver from the independent shareholders of Gold-Face on or before the long-stop date of the Option Deed of 31 December 2003.

To avoid delays to the transactions contemplated under the Loan Agreement and the Option Deed, the board of directors of Profit International has therefore agreed to waive the conditions with respect to the Whitewash Waiver to the Option Deed and not to proceed with the application for the Whitewash Waiver. Accordingly, no Whitewash Waiver document will be issued within 21 days from the date of the Announcements. Profit International will comply with the relevant requirements of the Takeovers Code if and when an application for the Whitewash Waiver is made at a later stage and further announcement will be made as and when appropriate.

The joint financial advisers to Profit International are of the view that it is not necessary for them to confirm that Profit International has sufficient financial resources to make a general offer for all the issued shares of Gold-Face under Rule 26 of the Takeovers Code at this stage as Profit International will not be obliged to make such general offer immediately upon completion of the Option Deed. Such obligation will only arise as and when the Option is exercised to the extent that Profit International and parties acting in concert with it are interested in 30% or more of the issued share capital of Gold-Face.

As disclosed in the Announcements, the Loan Agreement is not subject to the Option Deed becoming unconditional. Profit International is in the process of performing due diligence investigation on the Gold-Face Group with respect to identifying security and/or collaterals for securing the Term Loan. The receipt by Profit International of security and/or collaterals to its satisfaction is a condition precedent for drawdown of the Term Loan.

By Order of the Board
GOLD-FACE HOLDINGS LIMITED
Poon Chi Fai
Managing Director

By Order of the Board
KARL THOMSON HOLDINGS LIMITED
Lam Kwok Hing
Chairman

Hong Kong, 1 August 2003

The directors of the Gold-Face jointly and severally accept full responsibility for the accuracy of the information contained in this announcement in so far as it relates to Gold-Face and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed on this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.