

AUDIT COMMITTEE *(Continued)*

modifications should be made to the interim financial report for the six months ended 30 June 2004 because of the possible effect of the fundamental uncertainty, details of which are set out in note 1 'Basis of presentation'. Whilst the directors are confident of a successful completion of the settlement agreements with the creditor bank and finance company and the availability of future funding from other sources, significant adjustments would have to be made to the interim financial report should the outcome be otherwise.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2004 (For the six months ended 30 June 2003: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period ended 30 June 2004.

DIRECTORS' INTERESTS IN EQUITY SECURITIES

As at 30 June 2004, the interests of the directors and the company's chief executives in the equity or debt securities of the Company or any associated corporation (within the meaning of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO (including interests which they were deemed or taken to have under sections 344 and 345 of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, or which were recorded in the register required to be kept under section 352 of the SFO, were as follows:

Chief executive (within the meaning of the SFO)	Capacity in which the shares were held	Number of Shares
Leung Hon Man <i>(Note)</i>	Nominee	54

Note: Mr. Leung was authorised to hold the fractions of the consolidated shares arising from the share consolidation effective on 18 October 2002.