

On 29 July 2004, Karfun has converted the HK\$30 million convertible note into 150,000,000 shares of HK\$0.01 each in the Company at a conversion price of HK\$0.20 per share, representing about 35.17% of the enlarged issued share capital of the Company.

Save as disclosed above, as at 30 June 2004, no other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

POST BALANCE SHEET EVENT

Details of post balance sheet event are set out in note 17 to the financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2004.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Listing Rules, the duties of which are to review the accounting principles and practices adopted by the Group, and discuss auditing, internal control and financial reporting matters with the management of the Company. The audit committee has reviewed the unaudited interim report for the six months ended 30 June 2004.

The current members of our audit committee, all of whom are independent non-executive directors, are Mr. Cheung Kin Wai, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.

於二零零四年七月二十九日，佳帆以每股港幣0.20元之轉換價，轉換港幣30,000,000元之可換股票據為本公司每股港幣0.01元之150,000,000股，佔本公司已擴大發行股份約35.17%權益。

除上文所披露者外，於二零零四年六月三十日，概無其他人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有權益或淡倉而記錄於本公司根據證券及期貨條例第336條規定須存置之登記冊中。

結算日後事項

有關資產負債表結算後之事項之詳情載於財務報表附註17。

購買、出售及贖回本公司之上市證券

本公司及其任何附屬公司於截至二零零四年六月三十日止六個月內概無購買、出售或贖回本公司任何上市證券。

審核委員會

本公司已根據上市條例成立了審核委員會。審核委員會的職能包括與管理層檢討本集團所採用之會計政策及慣例，並商討有關審核、內部監控和財務申報事宜。審核委員會已審核截至二零零四年六月三十日止六個月之未經審核中期報告。

現時所有審核委員會成員皆為獨立非執行董事包括張健偉先生、關宏偉先生及伍志堅先生。