

## **PURCHASE, SALE AND REDEMPTION OF SHARES**

During the period for the six months ended 31st December, 2004, there was no purchase, sale or redemption of the Shares by the Company or any of its subsidiaries.

## **AUDIT COMMITTEE**

The Audit Committee was established in accordance with the requirements of 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. ("the Code"). It comprises three Independent Non-Executive Directors of the Company to review on matters regarding internal controls and financial reporting of the Group.

## **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company was not 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 the non-executive directors were not appointed for specific terms but were subject to retirement by rotation and re-election at the annual general meeting.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

During the period, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code (Appendix 10) of the Listing Rules.

The Board of Directors of the Company did not aware of any non-compliance by any Directors of the Company regarding the required standard set out in the Model Code and its code of conduct regarding securities transactions.

## **PUBLICATION OF RESULT OF THE STOCK EXCHANGE**

All information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

On behalf of Board  
**Zhou Liping**  
*Executive Director*

Hong Kong, 18th March, 2005