

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

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During the period from 27 October 2004 to 29 October 2004, by virtue of exercise of the rights granted by the company's shareholders to the directors under general mandate, the Company repurchased on the Stock Exchange of Hong Kong Limited in aggregate 9,608,000 of its ordinary shares of HK\$0.1 each at a total consideration before expenses of approximately HK\$ 2,468,000.

Apart from the foregoing, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

### **AUDIT COMMITTEE**

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The Company has established an audit committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The audit committee of the Company presently comprises the three non-executive directors of the Company, namely, Mr. Lo Cheung Kin, Mr. Zou Zi Ping and Mr. Zhu Jian Hong. This interim report has been reviewed by the audit committee of the Company.

### **CODE OF BEST PRACTICE**

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In the opinion of the Directors of the Company, the Company complied with the Code of Best Practice, as set out in appendix 14 of the Listing Rules, throughout the period except that independent non-executive directors are not appointed for specific terms as required by paragraph 7 of the Code but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

On behalf of the Board  
**Ng Leung Ho**  
*Chairman*

Hong Kong, 23 March 2005