

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES (Continued)

### Short positions

Name of shareholder	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Peking Founder	Beneficial owner	60,000,000*	5.45%

\* *Derivative interests*

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the sections "Directors' interests and short positions in shares and underlying shares" and "Share option schemes" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

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

## COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the unaudited condensed consolidated interim financial statements of the Group, except that the independent non-executive directors of the Company 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 of the Company in accordance with the provisions of the Company's Bye-laws.

The Company has established an audit committee in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises two independent non-executive directors of the Company. These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2004 of the Group now reported have been reviewed by the audit committee.

By Order of the Board  
**EC-FOUNDER (HOLDINGS) COMPANY LIMITED**  
**Zhang Zhao Dong**  
*Chairman*

Hong Kong  
10 September 2004