

**SUN INNOVATION HOLDINGS LIMITED****PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

The Company has not redeemed any of its listed securities during the period under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the period under review.

**AUDIT COMMITTEE**

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th June 2004 with the directors.

**CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company was not for any part of the accounting period for the six months ended 30th June 2004, 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.

By Order of the Board

**Michele Matsuda**

*Chairman*

Hong Kong, 23rd September 2004