

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

During the six months ended 30 September 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has an audit committee which now comprises members of the three independent non-executive directors of the Company, namely, Mr. LEUNG Pak To, Francis (chairman of the audit committee), Professor WU Jinglian and Mr. HU Zhao Guang. The audit committee is responsible for reviewing with the management the accounting principles and practices adopted by the Group and discussing auditing, internal control and financial reporting matters, including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2004 of the Group.

CODE OF BEST PRACTICE

So far as the directors of the Company are aware, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2004, except that the non-executive director and independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Bye-Laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard set out in the Model Code contained in the Listing Rules.

On behalf of the Board

LI Qin

Chairman

Hong Kong, 23 November 2004