

CODE OF BEST PRACTICE

The board is not aware that the Company was not for the six months ended 30 June 2001, in compliance with the code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited, except that non-executive directors were not appointed for a specific term.

On behalf of the Board

Zhai Zhiming

Chairman

Hong Kong, 27 September 2001