

CODE OF BEST PRACTICE

The Company complied with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited during the reporting period.

AUDIT COMMITTEE

The Board of Directors of the Company established its audit committee, which reviewed the 2001 interim report of the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

1. A copy of the interim report as duly signed by the Chairman of the Company.
2. Accounting statements as duly signed and sealed by legal representatives, financial managers and accounting managers.
3. Original copies of documents and announcements of the Company disclosed in newspapers designated by China Securities Regulatory Commission during the reporting period.
4. The Articles of Association of the Company.

Li Gui Rong
Chairman

Qingdao, the People's Republic of China
29th August 2001