

Other Information

GLOBAL OFFERING

The Company completed its initial public offering in March 2001 and the details were as follows:

- issued 1,442,426,000 shares of HK\$0.10 each at HK\$6.01 per share and the shares and in the form of ADSs were listed on The Stock Exchange of Hong Kong Limited and the New York Stock Exchange Inc. on February 28 and February 27, 2001 respectively; and
- issued 214,163,900 shares of HK\$0.10 each at HK\$6.01 per share on March 23, 2001 upon the exercise of an over-allotment option by the underwriters of the global offering.

The net proceeds from this offering (including the exercise of an over-allotment option) amounted to approximately RMB10,101,564,000.

DISCLOSURE OF INTERESTS

As at June 30, 2001, the interests of the directors and the chief executive of the Company in the shares or debentures of the Company and its associated corporations as required to be recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance (**SDI Ordinance**) were as follows:

Interests in the Company

Name of Director	Number of Shares in which the Director was interested				
	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Chak Kwong So	30,000	-	-	-	30,000

SHARE OPTION SCHEME

The following directors were granted options in respect of shares in the Company under the Pre-Global Offering Share Option Scheme:

Name of Director	Date of Grant	Exercise Price (HK\$)	No. of Shares
Liucheng Wei	March 12, 2001	5.95	500,000
Chengyu Fu	March 12, 2001	5.95	350,000
Longsheng Jiang	March 12, 2001	5.95	280,000
Shouwei Zhou	March 12, 2001	5.95	280,000
Han Luo	March 12, 2001	5.95	280,000

The above options may be exercised, in whole or in part, in accordance with the following vesting schedule:

- 50% of the shares underlying the option shall vest on September 12, 2002; and
- 50% of the shares underlying the option shall vest on September 12, 2003.

Apart from the above, as at June 30, 2001 there was no other interest or right recorded in the register required to be kept under section 29 of the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

As at June 30, 2001, the interests of every person, other than a director or the chief executive of the Company, being 10% or more in the equity securities of the Company, as recorded in the register required to be kept under section 16(1) of the SDI Ordinance, were as follows:

<u>Name of the person</u>	<u>No. of shares in which the person was interested</u>
CNOOC (BVI) Limited	5,800,000,000 (Note)
Overseas Oil and Gas Corporation, Ltd.	5,800,000,000 (Note)
China National Offshore Oil Corporation	5,800,000,000 (Note)

Note: The shares in which CNOOC (BVI) Limited was interested formed the shares in which Overseas Oil and Gas Corporation, Ltd. was interested; the shares in which Overseas Oil and Gas Corporation, Ltd. was interested formed the shares in which China National Offshore Oil Corporation was interested.

PURCHASE, SALE OR REDEMPTION OF OWN SECURITIES

During the six months ended June 30, 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities.

EMPLOYEES

At June 30, 2001, the number of employees of the Group was around 1,200.

INTERIM DIVIDEND

The Board of Directors resolved to pay an interim dividend of HK\$0.10 per share to shareholders whose names appear on the Register of Members of the Company on September 28, 2001. The dividend will be paid on October 31, 2001.

The Register of Members of the Company will be closed from September 24, 2001 to September 28, 2001 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Registrar, Hong Kong Registrars Limited, 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong, not later than 4:00 p.m. on September, 21 2001.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, for any part of the six months ended June 30, 2001, in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, except that non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

By order of the Board
Yunshi Cao
Company Secretary
Hong Kong, August 27, 2001