

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, so far as is known to the Company, the following shareholders, other than directors or chief executives of the Company, had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Name of shareholder	Note	No. of shares held	Percentage of issued share capital
China Main Investment (H.K.) Company Limited	1,2,3	32,000,000 (S)	23.19
Hai Xia Finance Limited	4	12,200,000 (S)	8.84

S: Short Position

Notes:

1. China Main Investment (H.K.) Company Limited ("China Main") is owned as to 60% by Centre Mark Development Limited and as to 40% by Sino Elite International Limited. Centre Mark Development Limited is owned as to 99.99% by Mr. Chen Dacheng and as to 0.01% by China Main Group Company Limited. Sino Elite International Limited is owned as to 99.99% by China Main Group Limited and as to 0.01% by Mr. Pai Chin Ming. China Main Group Company Limited is owned as to 99% by Mr. Chen Dacheng and as to 1% by Mr. Pai Chin Ming.
2. Apart from the 32,000,000 shares in the Company, China Main also holds 10,000,000 warrants at the subscription price of HK\$5 each which is entitled to subscribe for 10,000,000 shares in the Company if China Main exercises the right of subscription in full.
3. On 14th April 2003, Shenzhen Venture Capital (BVI) Company Limited ("Shenzhen Venture Capital") reported that it has a security interest in 32,000,000 shares, representing 23.19% of the issued share capital of the Company. Shenzhen Venture Capital is owned as to 50% by Mr. Mei Jian and 50% by Mr. Zhang Minlong.
4. Hai Xia Finance Limited is a wholly owned subsidiary of Iwai's Investments Limited ("IIL") which in turn is a wholly owned subsidiary of China Gas Holdings Limited ("CGHL") and both IIL and CGHL were therefore deemed to have interest in the shares.

Save as disclosed above, the Company has not been notified of any other shareholders who had any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company as at 30 June 2003.