

Other Information

Directors' Interests or Short Positions in Shares and in Share Options

As at 30 June 2003, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and convertible bonds of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

a) Long Positions in Shares of the Company

Name of Directors	Capacity	Interest in shares			Total interest in shares	Interest in underlying shares pursuant to share options	Aggregate Interest	Approximate percentage of the Company's issued share capital
		Personal interest	Corporate interest	Family interest				
Mr. Chen Wei	Beneficial owner	-	-	-	-	12,000,000	12,000,000	0.65%
Mr. Law Sze Lai	Beneficial owner	-	-	-	-	12,000,000	12,000,000	0.65%
Mr. Tang Yui Man, Francis	Beneficial owner	-	-	-	-	9,850,000	9,850,000	0.53%
Mr. Ou Yaping	Beneficial owner and interest of controlled corporation	2,640,000	1,245,185,600 (Note 1)	2,756,000	1,250,581,600	-	1,250,581,600	67.6%

None of the directors has any interest of short positions in shares or underlying shares of the Company.

Note:

- These shares are held by Asia Pacific Promotion Limited ("Asia Pacific"), a company incorporated in the British Virgin Islands, which is legally and beneficially owned by Mr. Ou Yaping, Chairman of the Company.

Details of the directors' interests in share options granted by the Company are set out under the heading "DIRECTORS' RIGHTS TO ACQUIRE SHARES".

b) Directors' Interests or Short Position in Shares in Associated Corporations

Name of directors	Name of associated corporation	Capacity	Nature of interest	Total interest in shares long position /(short position)	Interest in underlying shares pursuant to share options	Aggregate Interest/(short position)	Approximate percentage of the issued share of associated corporation
Mr. Chen Wei	Panva Gas	Beneficial owner	Personal	2,160,000	5,040,000	7,200,000	1.19%
Mr. Tang Yui Man, Francis	Panva Gas	Beneficial owner	Personal	1,440,000	960,000	2,400,000	0.40%
Mr. Ou Yaping	Panva Gas	Beneficial owner and interest of controlled corporation	Corporate	441,380,062 (38,461,538)	173,091,525 (38,461,538)	614,471,587 (Note 1) (38,461,538)	101.55% (6.36%)
	Enerchina	Interest of controlled corporation	Corporate	91,799,830	-	91,799,830 (Note 2)	40.44%

Notes:

- The 441,380,062 shares represent (i) 429,298,462 shares held by Kenson Investments Limited ("Kenson"), a wholly-owned subsidiary of the Company. Mr. Ou is deemed by the SFO to be interested in these shares; and (ii) 12,081,600 shares held by Asia Pacific directly. The entire issued share capital of Asia Pacific are legally and beneficially held by Mr. Ou.

The 173,091,525 shares represent (i) 3,600,000 shares options held by Mr. Ou and convertible note amounting to HK\$100,000,000. Such convertible note can be converted into 169,491,525 shares of the Company on or before 1 April 2004 at a conversion price of HK\$0.59 per share.

- The 91,799,830 shares represent (i) 68,081,902 shares held by the Company and (ii) 23,717,928 shares held by Smart Orient Investments Limited ("Smart Orient"), a wholly owned subsidiary of the Company. Mr. Ou is deemed by the SFO to be interested in these shares.

Directors' Right to Acquire Shares

a) Interest in Option to Subscribe for Shares of the Company

Pursuant to the Company's share option schemes, the Company has granted options on the Company's ordinary shares in favour of certain directors, the details of which are as follows:

Name of Directors	Date of Grant	Exercise Period	Exercise Price HK\$	Number of	Number of	Approximately
				shares subject to outstanding options as at 1.1.2003	shares subject to outstanding options as at 30.6.2003	
Mr. Chen Wei	14.03.2002	01.09.2002 to 01.09.2004	0.67	6,000,000	6,000,000	0.32%
	14.03.2002	01.12.2002 to 01.12.2005	0.67	6,000,000	6,000,000	0.32%
Mr. Law Sze Lai	14.03.2002	01.09.2002 to 01.09.2004	0.67	6,000,000	6,000,000	0.32%
	14.03.2002	01.12.2002 to 01.12.2005	0.67	6,000,000	6,000,000	0.32%
Mr. Tang Yui Man, Francis	15.06.2001	01.06.2002 to 01.06.2005	0.41	1,650,000	1,650,000	0.09%
	15.06.2001	01.06.2003 to 01.06.2006	0.41	1,650,000	1,650,000	0.09%
	21.09.2001	03.10.2002 to 03.10.2005	0.33	2,750,000	2,750,000	0.15%
	14.03.2002	01.09.2002 to 01.09.2004	0.67	1,900,000	1,900,000	0.10%
	14.03.2002	01.12.2002 to 01.12.2005	0.67	1,900,000	1,900,000	0.10%

Note:

No share option was exercised by the above director to subscribe for shares in the Company during the period.

The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

Save as disclosed above, at no time during the period, the directors and chief executives (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or its associated corporations required to be disclosed pursuant to the SFO.

b) Interest in Options to Subscribe for Shares of Associated Corporation

Name of Directors	Name of associated corporation	Date of grant	Exercise Period	Exercise Price HK\$	Number of share option held
Mr. Chen Wei	Panva Gas	04.04.2001	01.01.2003 to 03.04.2011	0.475	1,800,000
		04.04.2001	01.01.2004 to 03.04.2011	0.475	1,800,000
		13.11.2001	13.11.2002 to 13.02.2007	0.94	1,440,000
Mr. Tang Yui Man, Francis	Panva Gas	13.11.2001	13.11.2002 to 13.02.2007	0.94	960,000
Mr. Ou Yaping	Panva Gas	04.04.2001	01.01.2003 to 03.04.2011	0.475	1,800,000
		04.04.2001	01.01.2004 to 03.04.2011	0.475	1,800,000

The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

Arrangements to Purchase Shares of Debentures

Other than the warrants and option holdings disclosed above, at no time the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of share in, or debenture of, the Company or any other body corporate, and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Save as disclosed above, none of the directors, chief executives nor their respective associates (as defined in the Listing Rules) had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations.

Substantial Shareholders

At 30 June 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short position in shares and underlying shares in the Company

Name of Shareholders	Capacity	Interest in shares				Interest in underlying shares pursuant to share options/debentures	Aggregate interest	Approximate percentage of the Company's issued share capital
		Personal interest	Corporate interest	Family interest	Total interest in shares			
Asia Pacific	Beneficial owner	-	1,245,185,600	-	1,245,185,600	-	1,245,185,600	67.31%
Mr. Ou Yaping	Beneficial owner and interest of controlled corporation	2,640,000	1,245,185,600 <i>(Note 1)</i>	2,756,000	1,250,581,600	-	1,250,581,600	67.60%
Mr. Zhuang Qihong	Interest of controlled corporation	-	146,520,000 <i>(Note 2)</i>	-	146,520,000	14,512,000	161,032,000	8.7%
Everpower Enterprises (H.K.) Company Limited	Beneficial owner	-	146,520,000	-	146,520,000	14,512,000	161,032,000	8.7%

Notes:

1. These shares are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is legally and beneficially owned by Mr. Ou Yaping, Chairman of the Company.

2. These shares are held by Everpower Enterprises (H.K.) Company Limited, a company incorporated in Hong Kong, Mr. Zhuang is deemed by the SFO to be interested in these shares.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be disclosed under Divisions 2 and 3 of Part XV of the SFO and the Listing Rules.

Save for the shareholders as disclosed herein, the directors are not aware of any persons who, as at 30 June 2003, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Share Option Schemes of the Group

The Company

- (a) Pursuant to a share option scheme approved by resolutions of the shareholders of the Company dated 23 May 2002 (the “New Scheme”); share options were granted to directors and employees of the Company or its subsidiaries for recognition of their contributions to the Group. The exercise price of the share options will be determined at the higher of the average of closing prices on the Stock Exchange on the five trading days immediately preceding on the date of grant, the closing price of the Stock exchange on the date of grant and the nominal value of the shares. The share options granted must be taken up within 28 days of the date of grant.

At 30 June 2003, no options had been granted under the New Scheme.

- (b) Pursuant to a share option scheme approved by resolutions of the shareholders of the Company dated 11 May 1998 (the “Old Scheme”); share options were granted to directors and employees of the Company or its subsidiaries for recognition of their contributions to the Group. The exercise price of the share options will be determined at the higher of the average of closing prices on the Stock Exchange on the five trading days immediately preceding the date of grant of the share options, the closing

price of the shares on the Stock Exchange on the date of grant and the nominal value of the shares. The share options granted must be taken up within 28 days of the date of grant. The New Scheme has replaced the Old Scheme and there will be no new share options granted under the Old Scheme in the future.

At 30 June 2003, the outstanding number of shares in respect of which options had been granted under the Old Scheme was 46,865,000 (2002: 58,701,000), representing 2.53% (2002: 3.17%) of the shares of the Company in issue at that date.

The share options are exercisable at any time for a period to be determined by the directors, which shall not be more than 10 years from the date of grant.

The total number of shares in respect of which options may be granted under the New Scheme and the Old Scheme are not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Consideration of HK\$1 is payable on the grant of an option.

The directors believe that any statement regarding the value of options granted during the period will not be meaningful to shareholders, taking into account the unique business nature of the Group and its potential for future expansion and that comparable data required for calculation of the value of the options will not be representative of the Group.

No charge is recognized in the income statement in respect of the value of share options granted during the period.

The following table discloses movements in the Company's share options during the period:

Category 1: Directors

	Option type	Outstanding at 1.1.2003	Granted during period	Exercised during period	Lapsed during period	Outstanding at 30.6.2003
Mr. Chen Wei	2002A	12,000,000	-	-	-	12,000,000
Mr. Law Sze Lai	2002A	12,000,000	-	-	-	12,000,000
Mr. Tang Yui Man,	2001A	3,300,000	-	-	-	3,300,000
Francis	2001B	2,750,000	-	-	-	2,750,000
	2002A	3,800,000	-	-	-	3,800,000
Total directors		33,850,000	-	-	-	33,850,000

Category 2: Employees

Option type	Outstanding at 1.1.2003	Granted during period	Exercised during period	Lapsed during period	Outstanding at 30.6.2003
2000	330,000	-	-	-	330,000
2001B	6,391,000	-	506,000	-	5,885,000
2002A	6,800,000	-	-	-	6,800,000
2002B	1,000,000	-	-	1,000,000	-
	14,521,000	-	506,000	1,000,000	13,015,000
Total all categories	48,371,000	-	506,000	1,000,000	46,865,000

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price HK\$
2000	20.01.2000	01.01.2001 – 01.01.2004	0.50
2001A	15.06.2001	01.01.2002 – 01.01.2005	0.41
	15.06.2001	01.03.2002 – 01.03.2005	0.41
	15.06.2001	01.06.2002 – 01.06.2005	0.41
	15.06.2001	01.06.2003 – 01.06.2006	0.41
2001B	09.10.2001	03.04.2002 – 03.04.2005	0.33
	09.10.2001	03.10.2002 – 03.10.2005	0.33
	09.10.2001	30.12.2002 – 30.12.2005	0.33
2002A	14.03.2002	01.09.2002 – 01.09.2004	0.67
	14.03.2002	01.12.2002 – 01.12.2005	0.67
	14.03.2002	01.01.2003 – 01.01.2005	0.67
2002B	23.04.2002	23.10.2003 – 23.10.2005	0.81
	23.04.2002	23.04.2004 – 23.04.2006	0.81

The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

The closing price of the Company shares immediately before 14 March 2002 and 23 April 2002, the date of grant of the 2002A and 2002B options, were HK\$0.67 and HK\$0.79 respectively.

The weighted average closing price of the Company share immediately before the dates on which the options were exercised on 18 June 2003 was HK\$0.56.

Panva Gas

(a) Panva Pre-Listing Share Option Scheme

Pursuant to Pre-Listing Share Option Scheme of Panva Gas approved by resolutions of the sole shareholder of Panva Gas dated 4 April 2001, share options (the “Panva Pre-Listing Options”) were granted at an exercise price of HK\$0.57, the issue price of Panva Gas shares on listing on GEM. The exercise price was subsequently adjusted to HK\$0.475 upon capitalisation of shares in 2002. 50% of the Panva Pre-Listing Options are exercisable from 1 January 2003 with the remaining 50% exercisable on 1 January 2004. The Panva Pre-Listing Options are exercisable on accumulative basis until the expiry date on 3 April 2011. The Panva Pre-Listing Options were granted to recognise the past and present contributions of the grantees to the Group.


At 30 June 2003, the outstanding number of shares in respect of which options had been granted under the Panva Pre-Listing Share Option Scheme was 23,440,000 representing 3.87% of the shares of Panva Gas in issue on that date.

(b) Panva Share Option Scheme

Pursuant to a share option scheme approved by resolutions of the sole shareholder of Panva Gas dated 4 April 2001 (the “Panva Scheme”), Panva Gas may grant options to the directors or employees of Panva Gas or its subsidiaries, for the recognition of their contributions to the Group, to subscribe for the shares in Panva Gas. The exercise price of the share option will be determined at the higher of the average of closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option, the closing price of the shares on the Stock Exchange on the date of grant and the nominal value of the shares.

The Panva Scheme will be terminated on 3 April 2011.

The share options are exercisable at any time for a period to be determined by the directors, which shall not be more than 10 years from the date of grant.



At 30 June 2003, the outstanding number of shares in respect of which options had been granted under the Panva Scheme was 13,704,000 representing 2.26% of the shares of Panva Gas in issue on that date.

Options granted must be taken up within 28 days of the date of grant. Consideration of HK\$1 is payable on the grant of an option.

The total number of shares in respect of which options may be granted under the Panva Pre-Listing Share Option Scheme and the Panva Scheme is not permitted to exceed 10% of the shares of Panva Gas in issue at any point in time, without prior approval from the shareholders of Panva Gas. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of Panva Gas in issue at any point in time, without prior approval from the shareholders of Panva Gas.

The following table discloses movements in the share options of Panva Gas during the period:

Category 1: Directors

	Option type	Outstanding at 1.1.2003	Granted during period	Exercised during period	Lapsed during period	Outstanding at 30.6.2003
Mr. Chen Wei	Panva Pre-Listing Options	3,600,000	-	-	-	3,600,000
	Panva 2001	1,440,000	-	-	-	1,440,000
Mr. Tang Yui Man, Francis	Panva 2001	960,000	-	-	-	960,000
Mr. Ou Yaping	Panva Pre-Listing Options	3,600,000	-	-	-	3,600,000
Total directors		9,600,000	-	-	-	9,600,000

Category 2: Employees

Option type	Outstanding at 1.1.2003	Granted during period	Exercised during period	Lapsed during period	Outstanding at 30.6.2003
Panva Pre-Listing Options	16,240,000	-	-	-	16,240,000
Panva 2001	11,304,000	-	-	-	11,304,000
	27,544,000	-	-	-	27,544,000
Total all categories	37,144,000	-	-	-	37,144,000

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price HK\$
Panva Pre-Listing Options	04.04.2001	01.01.2003-03.04.2011	0.475
	04.04.2001	01.01.2004-03.04.2011	0.475
Panva 2001	13.11.2001	13.02.2002-13.02.2007	0.94
	13.11.2001	13.05.2002-13.02.2007	0.94
	13.11.2001	13.11.2002-13.02.2007	0.94

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

Purchases, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2003.

Code of Best Practice

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not at any time during the period, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange except that non-executive directors are not appointed for specific terms, but are subject to retirement by rotation and re-election at annual general meeting in accordance with the bye-laws of the Company.