

OTHER INFORMATION

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

At 30 June 2004, the interests and short positions of the Directors and chief executive of the Company in the shares and debentures of the Company and the shares and debentures of any associated corporation of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required pursuant to: (a) divisions 7, 8, and 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange 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	Family interest	Corporate interest				
Chen Wei	Beneficial owner	-	-	-	-	6,400,000	6,400,000	0.28%
Law Sze Lai	Beneficial owner	7,200,000	-	-	7,200,000	7,200,000	14,400,000	0.62%
Ou Yaping	Beneficial owner and interest of controlled corporation	-	6,475,920	1,494,222,000	1,500,697,920	-	1,500,697,920	64.74%

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 Positions in Shares in Associated Corporations**

Name of Directors	Name of associated corporations	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 capital of the associated corporations
Chen Wei	Panva Gas	Beneficial owner	Personal	4,160,000	5,040,000	9,200,000	0.98%
Tang Yui Man Francis	Enerchina	Beneficial owner	Personal	-	22,880,000	22,880,000	1.00%
	Panva Gas	Beneficial owner	Personal	5,440,000	960,000	6,400,000	0.68%
Ou Yaping	Enerchina	Beneficial owner and Interest of controlled corporation	Corporate	849,038,775 (Note 1)	2,288,000	851,326,775	37.2%
	Panva Gas	Beneficial owner and Interest of controlled corporation	Corporate	604,871,587 (Note 2) (38,461,538) (Note 3)	3,600,000	608,471,587 (38,461,538)	64.58% (4.08%)

Notes:

- The 849,038,775 shares represent the aggregate of: (i) 571,887,966 shares held by the Company. (ii) 277,150,809 shares held by Smart Orient Investments Limited ("Smart Orient"), a wholly-owned subsidiary of the Company. Mr. Ou is deemed under the SFO to be interested in these shares.
- The 604,871,587 shares represent the aggregate of: (i) 429,298,462 shares held by Kenson Investment Limited ("Kenson"), a wholly-owned subsidiary of the Company. 64.46% interests of the Company are held by Asia Pacific. Mr. Ou is the sole beneficial owner of Asia Pacific. Mr. Ou is deemed under the SFO to be interested in these shares; (ii) 6,081,600

shares held by Asia Pacific directly. The entire issued share capital of Asia Pacific are legally and beneficially held by Mr. Ou; and (iii) 169,491,525 shares held by Supreme All Investments Limited (“Supreme All”). 100% interests of Supreme All are held by the Company. Mr. Ou is deemed under the SFO to be interested in these shares.

3. Kenson is under an obligation to transfer 38,461,538 shares to Hutchison International Limited (“Hutchison International”) upon full exchange of a HK\$125,000,000 redeemable note (the “Note”) held by Hutchison International in accordance with the terms and conditions of the Note.

Directors’ Right to Acquire Shares

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

Pursuant to the Company’s share option scheme, the Company has granted options to subscribe for Company’s 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 shares subject to outstanding options at 1.1.2004	Adjusted issue of shares	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2004	Approximate percentage of the Company’s issued share capital
Chen Wei	14.03.2002	01.09.2002 to 01.09.2004	0.56	6,000,000	1,200,000	7,200,000	-	-
	14.03.2002	01.12.2002 to 01.12.2005	0.56	6,000,000	1,200,000	800,000	6,400,000	0.28%
Law Sze Lai	14.03.2002	01.09.2002 to 01.09.2004	0.56	6,000,000	1,200,000	7,200,000	-	-
	14.03.2002	01.12.2002 to 01.12.2005	0.56	6,000,000	1,200,000	-	6,000,000	0.31%
Tang Yui Man Francis	14.03.2002	01.09.2002 to 01.09.2004	0.56	1,900,000	380,000	2,280,000	-	-
	14.03.2002	01.12.2002 to 01.12.2005	0.56	1,900,000	380,000	2,280,000	-	-

Note:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The number of share options outstanding at beginning of year and the exercise prices have been adjusted to reflect the effect of bonus issue of shares during the period. Exercise price before adjustment is HK\$0.67 and exercise price after adjustment is HK\$0.56.
3. These options represent personal interest held by the directors as beneficial owner.

Save as disclosed above, at no time during the period, the directors, 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 any of its associated corporations required to be disclosed pursuant to the SFO.

(b) Interest in Options to Subscribe for Shares of Associated Corporations

Name of Directors	Name of associated corporations	Date of grant	Exercisable period	Exercise price HK\$	Number of shares options held	
Chen Wei	Panva Gas	04.04.2001	01.01.2003 – 03.04.2011	0.475	1,800,000	
		04.04.2001	01.01.2004 – 03.04.2011	0.475	1,800,000	
		13.11.2001	13.11.2002 – 13.02.2007	0.940	1,440,000	
Tang Yui Man Francis	Enerchina	09.06.2004	09.06.2004 – 08.06.2014	0.440	22,880,000	
		13.11.2001	13.11.2002 – 13.02.2007	0.940	960,000	
Ou Yaping	Enerchina	09.06.2004	09.06.2004 – 08.06.2014	0.440	2,288,000	
		Panva Gas	04.04.2001	01.01.2003 – 03.04.2011	0.475	1,800,000
			04.04.2001	01.01.2004 – 03.04.2011	0.475	1,800,000

Note:

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

Arrangements to Purchase Shares of Debentures

Other than the option holdings disclosed above, at no time the period was the Company, its holdings company, or any or 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 2004, 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		Total interest in shares	Approximate percentage of the Company's issued share capital
		Family interest	Corporate interest		
Asia Pacific	Beneficial owner	–	1,494,222,000	1,494,222,000 (Note 1)	64.46%
Ou Yaping	Beneficial owner and interest of controlled corporation	6,475,920	1,494,222,000 (Note 1)	1,500,697,920	64.74%

Note:

- 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.

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, at 30 June 2004, 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 following table discloses movements in the Company's share options during the period:

Category 1: Directors

	Option types	Outstanding at 1.1.2004	Adjusted after bonus issue of shares	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2004
Chen Wei	2002A	12,000,000	2,400,000	-	8,000,000	-	6,400,000
Law Sze Lai	2002A	12,000,000	2,400,000	-	7,200,000	-	7,200,000
Tang Yui Man Francis	2002A	3,800,000	760,000	-	4,560,000	-	-
Total directors		27,800,000	5,560,000	-	19,760,000	-	13,600,000

Category 2: Employees

Option types	Outstanding at 1.1.2004	Adjusted after bonus issue of shares	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2004
2001B	550,000	110,000	-	-	-	660,000
2002A	6,800,000	300,000	-	4,900,000	-	2,200,000
2004	-	5,080,000	25,400,000	-	-	30,480,000
Total employees	7,350,000	5,490,000	25,400,000	4,900,000	-	33,340,000
All categories	35,150,000	11,050,000	25,400,000	24,660,000	-	46,940,000

Details of specific categories of options are as follows:

Option types	Date of grant	Exercise period	Exercise price before adjustment HK\$	Exercise price after adjustment HK\$
2001B	09.10.2001	03.04.2002 – 03.04.2005	0.33	0.28
	09.10.2001	03.10.2002 – 03.10.2005	0.33	0.28
	09.10.2001	30.12.2002 – 30.12.2005	0.33	0.28
2002A	14.03.2002	01.09.2002 – 01.09.2004	0.67	0.56
	14.03.2002	01.12.2002 – 01.12.2005	0.67	0.56
	14.03.2002	01.01.2003 – 01.01.2005	0.67	0.56
2004	01.01.2004	01.06.2004 – 31.05.2008	0.91	0.76
	01.01.2004	01.01.2005 – 31.05.2008	0.91	0.76
	01.01.2004	01.06.2005 – 31.05.2008	0.91	0.76

Notes:

- 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's shares immediately before 1 January 2004 the date of grant of the 2004 options was HK\$0.758 (before bonus issue of share adjustment was HK\$0.91).
- The weighted average closing price of the Company share immediately before the dates on which the options were exercised on 26 February 2004, 4 June 2004 and 14 June 2004 were HK\$0.963, HK\$0.915 and HK\$0.914 respectively.
- During the period, 25,400,000 shares granted under the share option scheme approved by the shareholders of the Company on 23 May 2002 were adjusted to 30,480,000 shares to reflect the effect of bonus issue of share.
- During the period, no options were cancelled or lapsed under the share option schemes.

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.

Share Options of Panva Gas

Movements of the share options of Panva Gas, which have been granted under the Panva Gas Pre-Listing share option scheme (the “Panva Pre-Listing Options”) and Panva Gas share option scheme (the “Panva Scheme”) both approved by sole shareholder on 4 April 2001, during the period are set out below:–

Category 1: Directors

Option types	Outstanding at 1.1.2004	Appointed as director during the period	Retired as director during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2004
Chen Wei Panva Pre-Listing Options	3,600,000	–	–	–	–	3,600,000
Panva Scheme	1,440,000	–	–	–	–	1,440,000
Lai Wen Guang Panva Pre-Listing Options	2,400,000	–	1,600,000	800,000	–	–
Panva Scheme	960,000	–	960,000	–	–	–
Lau Shi Wa Panva Pre-Listing Options	1,200,000	–	600,000	600,000	–	–
Li Fujun Panva Pre-Listing Options	2,400,000	–	–	280,000	–	2,120,000
Panva Scheme	480,000	–	–	–	–	480,000
Ou Yaping Panva Pre-Listing Options	3,600,000	–	–	–	–	3,600,000
Shen Lian Jin Panva Pre-Listing Options	–	600,000	–	300,000	–	300,000
Tang Yui Man Francis Panva Scheme	960,000	–	–	–	–	960,000
Total Directors	17,040,000	600,000	3,160,000	1,980,000	–	12,500,000

Category 2: Employees

Option types	Outstanding at 1.1.2004	Appointed as director during the period	Retired as director during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2004
Panva Pre-Listing Options	7,440,000	600,000	2,200,000	3,790,000	–	5,250,000
Panva Scheme	6,984,000	–	960,000	2,183,000	–	5,761,000
Total Employees	14,424,000	600,000	3,160,000	5,973,000	–	11,011,000
All categories	31,464,000	–	–	7,953,000	–	23,511,000

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price <i>HK\$</i>
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 Scheme	13.11.2001	13.02.2002 – 13.02.2007	0.940
	13.11.2001	13.05.2002 – 13.02.2007	0.940
	13.11.2001	13.11.2002 – 13.02.2007	0.940

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The weighted average closing price of the shares in Panva Gas immediately before the date on which the options were exercised were HK\$4.01 and HK\$3.82.
3. During the period, no options were granted, cancelled or lapsed under the share option schemes of Panva Gas.

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 2004.

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 (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities 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 Company’s Bye-laws.

Audit Committee

The Company has an audit committee (“Audit Committee”) which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors. The members of the Audit Committee are Messrs. Xin Luo Lin, Li Zhi Xiang and Davin A. Mackenzie. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2004 had not been audited, but had been reviewed by the Company’s auditors, Deloitte Touche Tohmatsu and the Audit Committee.