



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that in respect of the six months ended 30 June 2005, all directors have complied with the required standard set out in the Model Code.

OTHER INFORMATION

Directors' and Chief Executives' interests or short positions in Shares and in Share Options

At 30 June 2005, the interests and short positions of the directors and the chief executive of the Company in the shares of the Company (the "Share") and debentures of the Company or the shares and debentures of any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("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 of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

(a) Long position in Shares and underlying Shares

Name of Directors	Capacity	Interest in Shares Corporate interest	Interest in underlying Shares pursuant to share options	Aggregate interest	Approximate percentage of the issued share capital of the Company as at 30.6.2005
Lu Yungang	Beneficial owner	-	2,288,000	2,288,000	0.05%
Davin A. Mackenzie	Beneficial owner	-	2,288,000	2,288,000	0.05%
Ou Yaping	Beneficial owner and interest of controlled corporation	3,617,895,635 (Note)	2,288,000	3,620,183,635	74.92%
Sun Qiang Chang	Beneficial owner	-	26,250,000	26,250,000	0.54%
Tang Yui Man Francis	Beneficial owner	-	22,880,000	22,880,000	0.47%
Xiang Ya Bo	Beneficial owner	-	22,880,000	22,880,000	0.47%
Xu Xinghai	Beneficial owner	-	2,000,000	2,000,000	0.04%
Xin Luo Lin	Beneficial owner	-	2,288,000	2,288,000	0.05%

Note: The 3,617,895,635 Shares represent the aggregate of : (i) the 3,393,905,282 Shares held by Sinolink Worldwide Holdings Limited ("Sinolink"); and (ii) the 223,990,353 Shares held by Smart Orient Investments Limited, a wholly-owned subsidiary of Sinolink (Mr. Ou Yaping through his wholly-owned company, Asia Pacific Promotion Limited ("Asia Pacific"), holds approximately 58.48% of the existing issued share capital of Sinolink and is therefore deemed to be interested in all the Shares in which Sinolink is interested).

Details of the Directors' interests in share options granted by the Company are set out under the heading "Directors' Right to Acquire Shares".

(b) Directors' interests or short positions in shares and underlying shares in associated corporations

Name of Directors	Name of associated corporations	Interest in shares long positions/ (short positions)		Total interest in shares	Interest in underlying shares pursuant to share options		Aggregate interest	Approximate percentage of the issued share capital of the associated corporation as at 30.6.2005
		Interest of controlled corporations	Family interest					
Davin A. Mackenzie	Sinolink	-	-	-	2,000,000	2,000,000	0.09%	
Ou Yaping	Sinolink	1,374,222,000 (Note 1)	6,475,920	1,380,697,920	-	1,380,697,920	58.76%	
	Panva Gas	569,305,587 (Note 2)	-	569,305,587	3,600,000	572,905,587	60.80%	
		(19,230,769) (Note 3)	-	(19,230,769)	-	(19,230,769)	(2.04%)	
Tang Yui Man Francis	Sinolink	-	-	-	19,000,000	19,000,000	0.81%	
	Panva Gas	5,440,000	-	5,440,000	3,960,000	9,400,000	1.00%	
Xin Luo Lin	Sinolink	-	-	-	2,000,000	2,000,000	0.09%	



Notes:

1. These 1,374,222,000 Shares of Sinolink are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Ou Yaping, Chairman of Sinolink.
2. The 569,305,587 Shares of Panva Gas represent (i) 394,732,462 shares of Panva Gas held by Kenson Investment Limited ("Kenson") and 169,491,525 shares of Panva Gas held by Supreme All Investments Limited ("Supreme All"). Kenson and Supreme All are wholly-owned subsidiaries of Enerchina. 74.88% interests of Enerchina are held by Sinolink and 58.48% interests of Sinolink are held by Asia Pacific; and (ii) 5,081,600 shares of Panva Gas held by Asia Pacific directly. As Asia Pacific is wholly owned by Mr. Ou Yaping, he is deemed under the SFO to be interested in these 569,305,587 shares of Panva Gas.
3. Kenson is under an obligation to transfer 19,230,769 shares of Panva Gas to Hutchison International Limited ("Hutchison International") upon full exchange of a HK\$62,500,000 redeemable note of Panva Gas (the "Note") held by Hutchison International in accordance with the terms and conditions of the Note.

Details of the Directors' Interests in share options granted by the associated corporations are set out under the heading "Directors' Right to Acquire Shares".

Directors' Right to Acquire Shares

(a) Interest in options to subscribe for Shares

Pursuant to the Company's share option scheme, the Company has granted options to subscribe for 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 option as at 1.1.2005 and 30.6.2005	Percentage of the issued share capital of the Company as at 30.6.2005
Leng Xuesong	09.06.2004	09.06.2006 – 08.06.2014	0.44	5,000,000	0.10%
Lu Yungang	09.06.2004	09.06.2005 – 08.06.2014	0.44	2,288,000	0.05%
Davin A. Mackenzie	20.10.2004	20.10.2005 – 19.10.2015	0.50	2,288,000	0.05%
Ou Yaping	09.06.2004	09.06.2004 – 08.06.2014	0.44	2,288,000	0.05%
Sun Qiang Chang	24.05.2000	24.05.2000 – 23.05.2010	0.55	26,250,000	0.54%
Tang Yui Man Francis	09.06.2004	09.06.2004 – 08.06.2014	0.44	22,880,000	0.47%
Xiang Ya Bo	09.06.2004	09.06.2004 – 08.06.2014	0.44	22,880,000	0.47%
Xu Xinghai	09.06.2004	09.06.2005 – 08.06.2014	0.44	666,666	0.01%
	09.06.2004	09.06.2006 – 08.06.2014	0.44	666,666	0.01%
	09.06.2004	09.12.2006 – 08.06.2014	0.44	666,668	0.01%
Xin Luo Lin	09.06.2004	09.06.2004 – 08.06.2014	0.44	2,288,000	0.05%



Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. During the period, no option was granted to or exercised by the directors of the Company and no option held by the directors of the Company was lapsed or cancelled.
3. Mr. Leng Xuesong resigned as a director of the Company on 2 June 2005 and the option granted to Mr. Leng was lapsed on 2 July 2005.
4. These options represent personal interest held by the directors of the Company as beneficial owners.

(b) Interest in options to subscribe for shares of associated corporations

Name of Directors	Name of associated corporations	Date of grant	Exercise period	Exercise Price HK\$	Number of shares subject to outstanding options as at	Approximate percentage of the issued share capital of associated corporations
					1.1.2005 and 30.6.2005	as at 30.6.2005
Davin A. Mackenzie	Sinolink	28.12.2004	31.12.2005 – 24.05.2012	1.126	600,000	0.03%
		28.12.2004	30.06.2006 – 24.05.2012	1.126	600,000	0.03%
		28.12.2004	31.12.2006 – 24.05.2012	1.126	800,000	0.03%
Ou Yaping	Panva Gas	04.04.2001	01.01.2003 – 03.04.2011	0.475	1,800,000	0.19%
		04.04.2001	01.01.2004 – 03.04.2011	0.475	1,800,000	0.19%
Tang Yui Man Francis	Sinolink	28.12.2004	31.12.2005 – 24.05.2012	1.126	5,700,000	0.24%
		28.12.2004	30.06.2006 – 24.05.2012	1.126	5,700,000	0.24%
		28.12.2004	31.12.2006 – 24.05.2012	1.126	7,600,000	0.32%
	Panva Gas	13.11.2001	13.11.2002 – 13.02.2007	0.940	960,000	0.10%
		19.11.2004	31.12.2005 – 30.03.2011	3.500	900,000	0.10%
		19.11.2004	31.12.2006 – 30.03.2011	3.500	900,000	0.10%
		19.11.2004	31.12.2007 – 30.03.2011	3.500	1,200,000	0.13%
Xin Luo Lin	Sinolink	28.12.2004	31.12.2005 – 24.05.2012	1.126	600,000	0.03%
		28.12.2004	30.06.2006 – 24.05.2012	1.126	600,000	0.03%
		28.12.2004	31.12.2006 – 24.05.2012	1.126	800,000	0.03%

Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. These options represent personal interest held by the directors as beneficial owners.

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 required to be disclosed pursuant to the SFO.


Arrangements to Purchase Shares or Debentures

Other than the share option schemes of the Company disclosed above, at no time the period was the Company, its holdings 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.

Substantial Shareholders

At 30 June 2005, 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:

Name of shareholders	Capacity	Aggregate interest	Approximate percentage of the issued share capital as at 30.6.2005
Asia Pacific	Interest of controlled corporation	3,617,895,635 <i>(Note 1 & 2)</i>	74.88%
Sinolink	Beneficial owner and interest of controlled corporation	3,617,895,635 <i>(Note 1 & 2)</i>	74.88%
Smart Orient Investments Limited	Beneficial owner	223,990,353	4.64%
Warburg Pincus & Co.	Interest of controlled corporation	477,524,377 <i>(Note 3, 4 & 5)</i>	9.88%
Warburg Pincus Equity Partners, L.P. ("WPE")	Interest of controlled corporation	404,548,779 <i>(Note 4)</i>	8.37%



Name of shareholders	Capacity	Aggregate interest	Approximate percentage of the issued share capital
Warburg Pincus Ventures International, L.P. ("WPV")	Interest of controlled corporation	404,548,779 <i>(Note 5)</i>	8.37%
Atlantic Cay International Limited ("Atlantic Cay")	Beneficial owner	404,548,779	8.37%

Notes:

1. Asia Pacific holds approximately 58.48% the issued share capital of Sinolink and it is deemed to be interested in all 3,617,895,635 Shares interested by Sinolink.
2. The 3,617,895,635 Shares represents the aggregate of: (a) 3,393,905,282 Shares held directly by Sinolink; and (b) 223,990,353 Shares held by Smart Orient Investments Limited, a wholly-owned subsidiary of Sinolink.
3. Warburg Pincus & Co. ("WP") is the general partner of the limited partnerships WPE and WPV, and is deemed to have an interest in all the Shares interested by these companies. These 477,524,377 Shares represent the aggregate of the Shares interested by the funds managed by WP and all the Shares held by Atlantic Cay.
4. WPE is interested in 50% of the issued share capital of Atlantic Cay and is deemed to be interested in all the Shares held by Atlantic Cay.
5. WPV is interested in 50% of issued share capital of Atlantic Cay and it is deemed to be interested in all the Shares held by Atlantic Cay.

Save as disclosed above, there was no person who had, as at 30 June 2005, disclosed an interest in the share capital of the Company under Divisions 2 and 3 of Part XV of the SFO and the Listing Rules.

Share Option Schemes of the Group

(a) Share Options of the Company

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

Directors	Option type	Outstanding at 1.1.2005	Resigned as director during the period	Cancelled during the period	Outstanding at 30.6.2005
Leng Xuesong	2002 Scheme	5,000,000	(5,000,000)	-	-
Lu Yungang	2002 Scheme	2,288,000	-	-	2,288,000
Davin A. Mackenzie	2002 Scheme	2,288,000	-	-	2,288,000
Ou Yaping	2002 Scheme	2,288,000	-	-	2,288,000
Sun Qiang Chang	1993 Scheme	26,250,000	-	-	26,250,000
Tang Yui Man Francis	2002 Scheme	22,880,000	-	-	22,880,000
Xiang Ya Bo	2002 Scheme	22,880,000	-	-	22,880,000
Xu Xinghai	2002 Scheme	2,000,000	-	-	2,000,000
Xin Luo Lin	2002 Scheme	2,288,000	-	-	2,288,000
Total Directors		88,162,000	(5,000,000)	-	83,162,000
Other participant	2002 Scheme	-	5,000,000	-	5,000,000
Total employees	2002 Scheme	26,900,000	-	(2,100,000)	24,800,000
All categories		115,062,000	-	(2,100,000)	112,962,000



Details of specific category of options granted are as follows:

Option type	Date of grant	Exercise period	Exercise price after adjustment HK\$
1993 Scheme	24.05.2000	24.05.2000 – 23.05.2010	0.55
2002 Scheme	09.06.2004	09.06.2004 – 08.06.2014	0.44
	09.06.2004	09.06.2005 – 08.06.2014	0.44
	09.06.2004	09.06.2006 – 08.06.2014	0.44
	09.06.2004	09.12.2006 – 08.06.2014	0.44
	20.10.2004	20.10.2005 – 19.10.2015	0.50

Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of exercise period.
2. During the period, no share option was granted, exercised and lapsed under the share option schemes.
3. 2,100,000 share options were cancelled on 18 January 2005 as the result of the open offer.

(b) Share options of Panva Gas

Movements of the share options of Panva Gas, which have been granted under the Pre-Listing Share Option Scheme ("Pre-Listing Options") and Share Option Schemes of Panva Gas which were approved by sole shareholder on 4 April 2001 and granted in 2001 ("2001 Options") and in 2004 ("2004 Options"), during the period are set out below:

	Option types	Outstanding at 1.1.2005	Lapsed during the period	Outstanding at 30.6.2005
Category 1: Directors				
Ou Yaping	Pre-Listing Options	3,600,000	-	3,600,000
Tang Yui Man Francis	2001 Options	960,000	-	960,000
	2004 Options	3,000,000	-	3,000,000
Other directors	Pre-Listing Options	6,020,000	-	6,020,000
	2001 Options	1,920,000	-	1,920,000
	2004 Options	9,400,000	-	9,400,000
Total Directors		24,900,000	-	24,900,000
Category 2: Employees				
	Pre-Listing Options	4,250,000	-	4,250,000
	2001 Options	5,689,000	(440,000)	5,249,000
	2004 Options	8,800,000	-	8,800,000
Total Employees		18,739,000	(440,000)	18,299,000
All categories		43,639,000	(440,000)	43,199,000

Details of specific categories of options of Panva Gas are as follows:

Option types	Date of grant	Exercise period	Exercise price HK\$
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
2001 Options	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
2004 Options	19.11.2004	31.12.2005 – 30.03.2011	3.500
	19.11.2004	31.12.2006 – 30.03.2011	3.500
	19.11.2004	31.12.2007 – 30.03.2011	3.500

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. During the period, no share option of Panva Gas was granted, exercised and cancelled under the share option schemes of Panva Gas.
3. 440,000 share options of Panva Gas were lapsed during the period.