



PROSPECTS

With the increasing production of crude oil from Ta He oil field and the national policy of the PRC government to develop the northwestern region of the PRC, the directors believe that the contribution from Xingmei to our Group's profit will increase in the coming years. The board will study the feasibility of increasing the oil transporting capacity operated by Xingmei so as to match the development of Te He oil field and increase the revenue generated in the coming years. Further, the operation of natural gas pipeline networks in Korla and Jilin City have to be further consolidated and expanded which will provide the Group a steady source of income with satisfactory yield. On one hand, the Company is of the view that the consumption of natural gas in the PRC will increase considerably due to vast reserves that have been found in Tarim Basin in Xinjiang. On the other hand, according to the Jilin City Planning Committee, the total usage of natural gas inclusive of domestic, industrial and transportation will reach approximately 300 million m³ to 500 million m³ in 2010. The board believes that both of the existing natural gas networks in Korla and Jilin City will position the Company to take advantage of such growth and broaden the earning stream of the Group in the future.

EMPLOYEE INFORMATION

As at 30 June 2002, the Group employed approximately 235 employees. They were remunerated according to the nature of their job and market condition. The Group also provides eligible employees other benefits such as share options, housing allowances, discretionary bonus and medical scheme.

CHANGE OF COMPANY'S NAME

Pursuant to a special resolution passed on 25 June 2002, the name of the Company was changed from GeoMaxima (Hong Kong) Holdings Limited to GeoMaxima Energy Holdings Limited and the Company adopted the Chinese name 捷美能源控股有限公司 as part of its legal name.

DIRECTORS' INTEREST IN SECURITIES

As at 30 June 2002, according to the register of interests required to be maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), the following directors had personal interests in the securities of the Company as set out hereunder.

Name of Director	Number of shares held	
	Personal interests	Corporate interests
Sun Tian Gang	104,083,936	1,662,795,650 (Note)
Guo Ting	3,000,000	—
Wong Nam Ling	50,000,000	—

Note: 1,662,795,650 shares were owned by China GeoMaxima Co., Ltd., a company wholly owned by Mr. Sun Tian Gang.



Save as disclosed above, as at 30 June 2002, none of the directors or their respective associates had any personal, family, corporate or other interest in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance. No right had been granted to, or exercised by, any director of the Company or his spouse and children under 18 years of ages, to subscribe for shares in or debentures of the Company during the six month period ended 30 June 2002.

SHARE OPTIONS

Under the Company's existing option scheme adopted on 6 March 2002, the terms of which are set out in the circular dated 8 February 2002 issued by the Company, the board of directors may grant options to eligible persons to subscribe for shares in the Company. The existing option scheme became effective on 6 March 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. As at 30 June 2002, no options have been granted under the existing scheme.

Details of share options granted by the Company to employees pursuant to the previous share option scheme which were fully exercised during the period ended 30 June 2002 are as follows:

Date granted	Number of options outstanding as at 1 January 2002	Number of options exercised during the period as at 30 June 2002	Number of options outstanding as at 30 June 2002	Exercise period	Exercise price HK\$	Share price*	
						At grant date of options HK\$	At exercise date of options HK\$
4 August 2000	50,000,000	50,000,000	Nil	4 August 2000 to 3 August 2005	0.084	0.105	1.01

* The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of share options within in the disclosure category.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2002, the following person was interested directly or indirectly and/or deemed to be interested in 10% or more of the issued share capital of the Company, as recorded in the register of interests required to be maintained by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of Shares	Approximate percentage of interests
China GeoMaxima Co., Ltd.	1,662,795,650	54.85%

Save as disclosed above, the Company is not aware of any other parties holding 10% or more in the issued share capital of the Company as at 30 June 2002.



PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six month period ended 30 June 2002, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee of the Company comprises two Independent Non-Executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Group.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules throughout the accounting period, except that all non-executive directors of the Company are not appointed for any specific term of office but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the by-laws of the Company.

By Order of the Board
Zhu Jia Zhen
Chairman

Hong Kong, 30 August 2002