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百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

PLACING OF EXISTING SHARES

AND

SUBSCRIPTION FOR NEW SHARES

IN PANVA GAS HOLDINGS LIMITED

19 December 2003

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

| | |
|---------------------------|---|
| “associate” | has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules. |
| “Commerzbank” | Commerzbank AG, through its Hong Kong Branch, the independent financial adviser to the independent board committee of Panva Gas in respect of the Subscription. |
| “Company” | Sinolink Worldwide Holdings Limited, a company incorporated under the laws of Bermuda whose shares are listed on the Stock Exchange. |
| “Company Shares” | share(s) of HK\$0.1 each in the existing capital of the Company. |
| “Conversion Shares” | the 169,491,525 Shares issued to Supreme All Investments Limited, a wholly owned subsidiary of the Company, on 9 December 2003 as a result of the conversion of the Convertible Note. |
| “Convertible Note” | the HK\$100 million convertible note issued by Panva Gas to Supreme All Investments Limited on 4 April 2001, convertible into Shares at HK\$0.59 per Share. |
| “Directors” | the director(s) of the Company. |
| “GEM” | the Growth Enterprise Market of the Stock Exchange. |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM. |
| “Group” | the Company and its subsidiaries. |
| “Hutchison” | Hutchison International Limited, a company which holds 4.97% of Panva Gas as at the Latest Practicable Date. |
| “Latest Practicable Date” | 15 December 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular. |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange. |
| “Morgan Stanley” | Morgan Stanley & Co. International Limited. |
| “Other Placing Agents” | Merrill Lynch Far East Limited. |

DEFINITIONS

| | |
|--------------------------|--|
| “Panva Gas” | Panva Gas Holdings Limited, a company incorporated under the laws of the Cayman Islands whose Shares are listed on GEM, which is beneficially held as to 58.83% by the Company and its associates as at the date of this circular. |
| “Panva Gas EGM” | the extraordinary general meeting of Panva Gas to be held on 5 January 2004 for the approval of the Subscription. |
| “Panva Gas Group” | Panva Gas and its subsidiaries. |
| “Placing” | the placing of 155,200,000 existing Shares pursuant to the Placing Agreement. |
| “Placing Agents” | Morgan Stanley and the Other Placing Agents. |
| “Placing Agreement” | the placing agreement dated 4 December 2003 entered into between the Vendor, Panva Gas and the Placing Agents. |
| “Placing Price” | the placing price of HK\$4.00 per Share. |
| “Placing Shares” | 155,200,000 existing Shares. |
| “PRC” | the People’s Republic of China. |
| “SFO” | Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong. |
| “Shareholders” | shareholders of the Company. |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of Panva Gas. |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited. |
| “Subscription” | the subscription of the Subscription Shares by the Vendor. |
| “Subscription Agreement” | the subscription agreement dated 4 December 2003 entered into between the Vendor and Panva Gas. |
| “Subscription Price” | the subscription price of HK\$4.00 per Share. |
| “Subscription Shares” | 155,200,000 new Shares. |
| “Vendor” or “Kenson” | Kenson Investment Limited, an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. |

LETTER FROM THE BOARD



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Ou Yaping (*Chairman*)
Mr. Tang Yui Man, Francis (*Chief Executive Officer*)
Mr. Law Sze Lai
Mr. Chen Wei

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Mr. Cheung Wing Yui
Mr. Li Zhi Xiang
Mr. Tsang Yu Chor, Patrick
Mr. Xin Luo Lin

*Head office and principal
place of business in Hong Kong:*

25th Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

19 December 2003

To the Shareholders

Dear Sir or Madam,

DISCLOSABLE TRANSACTION

1. INTRODUCTION

On 4 December 2003, the Vendor, a wholly owned subsidiary of the Company, and Panva Gas entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents agreed, on a several basis, to purchase or procure purchasers to acquire, and the Vendor agreed to sell, 155,200,000 existing Shares at the Placing Price of HK\$4.00 per Share. At the same time, the Vendor and Panva Gas entered into the Subscription Agreement pursuant to which the Vendor agreed, subject to certain conditions being fulfilled which include the approval by the shareholders of Panva Gas (other than the Vendor and its associates) of the Subscription, to subscribe for the same number of new Shares at a price equal to the Subscription Price.

Simultaneously with the completion of the Placing, 169,491,525 Conversion Shares were issued to Supreme All Investments Limited, a wholly owned subsidiary of the Company, as a result of the conversion of the Convertible Note. The Conversion Shares represent approximately 21.88% of the existing issued share capital of Panva Gas as enlarged by the issued of the Conversion Shares.

* For identification purpose only

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On 4 December 2003, pursuant to the Subscription Agreement entered into between the Vendor and Panva Gas, the Vendor has conditionally agreed to subscribe for 155,200,000 Subscription Shares at the Subscription Price of HK\$4.00 per Share, which is the same as the Placing Price. The Subscription Shares represent approximately 25.65% of the issued share capital of Panva Gas as at the date of the Subscription Agreement and approximately 16.69% of the issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares and by the Subscription.

The Placing and the Subscription constitute a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information relating to the Placing and the Subscription.

2. PLACING AGREEMENT DATED 4 DECEMBER 2003

Parties

- (i) The Vendor, Kenson Investment Limited, a wholly-owned subsidiary of the Company. As at the date of the Placing Agreement, the Vendor held 429,298,462 Shares, representing approximately 70.95% of Panva Gas' issued share capital of 605,076,000 Shares as at the date of the Placing Agreement.
- (ii) Panva Gas Holdings Limited.
- (iii) Morgan Stanley & Co. International Limited, as the sole bookrunner and lead manager in respect of the Placing.
- (iv) Other Placing Agents, together with Morgan Stanley, as agents and underwriters (on a several basis) of the Placing.

The Placing Agents and their beneficial owners are independent of and not connected with the directors, chief executive, substantial shareholders or management shareholders of Panva Gas or any of its subsidiaries or any associate of any of them, and are independent of and not connected with the directors, chief executive or substantial shareholders of Panva Gas or any of its subsidiaries or any associate of any of them.

Number of Shares placed

155,200,000 Shares. This was approximately 25.65% of Panva Gas' issued share capital prior to the issue of Conversion Shares and the Placing; approximately 20.04% of Panva Gas' existing issued share capital as enlarged by the issue of the Conversion Shares and approximately 16.69% of Panva Gas' issued share capital as enlarged by the issue of the Conversion Shares and by the Subscription.

Placees

78 independent professional, institutional and/or individual investors were procured by the Placing Agents. To the best knowledge of Panva Gas and the Company, the placees and their beneficial owners are independent of and do not act in concert with the Vendor or any person acting in concert with it; and they are also independent of and not connected with the directors,

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chief executive, substantial shareholders or management shareholders of Panva Gas or any of its subsidiaries or any associate of any of them, and independent of and not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any associate of any of them.

Placing Price

HK\$4.00 per Placing Share. This was determined on an arm's length basis. The total consideration for the Placing Shares was HK\$620,800,000 and has been paid by the placees in cash. The value of the Placing Shares, as calculated by reference to the closing price of HK\$4.875 per Share as quoted on the Stock Exchange on 3 December 2003, is HK\$756,600,000.

The Placing Price represented:

- (1) a discount of about 17.95% to the closing price of HK\$4.875 per Share as quoted on the Stock Exchange on 3 December 2003;
- (2) a discount of about 17.44% to the average closing price of HK\$4.845 per Share as quoted on the Stock Exchange from 27 November 2003 to 3 December 2003, both dates inclusive, being the last five trading days immediately prior to the date of the Placing Agreement;
- (3) a discount of about 16.54% to the average closing price of HK\$4.7925 per Share as quoted on the Stock Exchange from 20 November 2003 to 3 December 2003, both dates inclusive, being the last 10 trading days immediately prior to the date of the Placing Agreement;
- (4) a premium of about 0.63% to the closing price of HK\$3.975 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (5) a discount of about 0.37% to the average closing price of HK\$4.015 per Share as quoted on the Stock Exchange from 8 December 2003 to 12 December 2003, both dates inclusive, being the last 5 trading days immediately prior to the Latest Practicable Date; and
- (6) a discount of about 9.71% to the average closing price of HK\$4.43 per Share as quoted on the Stock Exchange from 27 November 2003 to 12 December 2003, both dates inclusive, being the last 10 trading days immediately prior to the Latest Practicable Date.

The Placing Price represented a premium of about 6 times to the net tangible asset per Share of HK\$0.547 as at 30 June 2003.

The directors of Panva Gas and the Company were of the opinion that the Placing Price was fair and reasonable and was in the best interests of Panva Gas.

Rights

The Placing Shares were sold free of any third party rights. The placees are entitled to receive all dividends and distributions declared, made or paid after completion of the Placing.

Completion of Placing

Completion of the Placing took place on 9 December 2003.

3. CONVERSION OF CONVERTIBLE NOTE

Supreme All Investments Limited, a wholly owned subsidiary of the Company, has exercised its rights under the Convertible Note to fully convert it into 169,491,525 new Shares. Conversion is not conditional on completion of the Subscription. The Conversion Shares rank pari passu with other issued Shares and represent approximately 21.88% of the existing issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares. Completion of the issue of the Conversion Shares and completion of the Placing took place simultaneously on 9 December 2003. After the simultaneous completion of the issue of the Conversion Shares and the Placing, the Company and its associates hold in total 455,671,587 Shares representing a decrease from 72.95% of the issued share capital of Panva Gas before the issue of the Conversion Shares to 58.83% of the existing issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares. The Convertible Note was issued by Panva Gas to Supreme All Investments Limited prior to the listing of Panva Gas on 4 April 2001 as consideration for acquisition by Panva Gas of the loan due from China Pan River Group Ltd., a wholly-owned subsidiary of the Company, to the Company. The issue and principle terms of the Convertible Note were set out in Appendix III of the prospectus of Panva Gas dated 10 April 2001. The terms of the Convertible Note were fixed at the time of the issue of the Convertible Note and have not been subsequently amended. The exercise of the conversion right is at the absolute discretion of Supreme All Investments Limited and Panva Gas has no control on the exercise of such conversion right.

4. SUBSCRIPTION AGREEMENT DATED 4 DECEMBER 2003

Parties

- (i) The Vendor (as the subscriber).
- (ii) Panva Gas (as the issuer).

Number of Subscription Shares to be subscribed for by Vendor

155,200,000 new Shares. This was approximately 25.65% of Panva Gas' issued share capital of 605,076,000 Shares as at the date of the Subscription Agreement. This is approximately 20.04% of Panva Gas' existing issued share capital as enlarged by the issue of the Conversion Shares and approximately 16.69% of Panva Gas' issued share capital as enlarged by the issue of the Conversion Shares and the Subscription.

Prior to the issue of the Conversion Shares, the Placing and the Subscription, the Vendor and its associates owned approximately 72.95% of the issued share capital of Panva Gas as at the date of the Subscription Agreement. Following completion of the issue of the Conversion Shares and completion of the Placing but prior to completion of the Subscription, the aggregate shareholdings of the Vendor and its associates reduced to approximately 58.83% of the existing issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares. If the Subscription is completed, the aggregate shareholdings of the Vendor and its associates will be

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approximately 65.70% of the issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares and the Subscription.

Subscription Price

HK\$4.00 per Subscription Share, which is the same as the Placing Price. The total consideration for the Subscription Shares will be HK\$620,800,000 and will be satisfied in cash.

All the commission, costs and expenses incurred in relation to the Placing and the Subscription will be borne by Panva Gas and interest accrued on the net Placing proceeds from the date of completion of the Placing to the date of completion of the Subscription will be for the account of Panva Gas.

Ranking

The Subscription Shares, when fully paid, will rank equally with the existing issued Shares of Panva Gas.

Conditions of the Subscription

The Subscription is conditional upon:

1. the completion of the Placing in accordance with the Placing Agreement;
2. the passing of a resolution approving the issue of the Subscription Shares at the Panva Gas EGM; and
3. the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

The Subscription is not conditional on the issue of the Conversion Shares. Panva Gas has applied to the GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

The Placing was completed on 9 December 2003 in accordance with the Placing Agreement. The Placing Agents placed the Placing Shares, on behalf of the Vendor, to 78 placees, all of whom are independent of and do not act in concert with the Vendor or any person acting in concert with it, and are independent of and not connected with the directors, chief executive, substantial shareholders or management shareholders of Panva Gas or any of its subsidiaries or any associate of any of them and are independent of and not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any associate of any of them. Accordingly, condition 1 above has been fulfilled and a joint announcement from Panva Gas and the Company in relation to the completion of the Placing was made by Panva Gas and the Company on 9 December 2003.

The Directors are not aware of any issue which may result in non-fulfilment of the two remaining conditions to the Subscription. The Company has been informed that Panva Gas will

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issue a circular on or around 18 December 2003 concerning the Subscription which will contain a letter from Commerzbank (the independent financial adviser to the independent board committee of Panva Gas in respect of the Subscription) stating that the Subscription is in the interests of Panva Gas and its shareholders as a whole and the terms thereof are fair and reasonable so far as Panva Gas and its shareholders are concerned, and is in the interests of the independent shareholders of Panva Gas. Furthermore, Hutchison, which held approximately 6.36% of Panva Gas' issued share capital immediately prior to the issue of the Conversion Shares and the Placing, and approximately 4.97% of Panva Gas' existing issued share capital as enlarged by the issued of the Conversion Shares, has unconditionally and irrevocably undertaken to exercise the voting rights attaching to the Shares they will hold in Panva Gas as at the date of the Panva Gas EGM in favour of the resolution to approve the Subscription in the Panva Gas EGM. In the unlikely event that the conditions of the Subscription are not fulfilled and given that the intention of the Company in entering into the Placing Agreement and the Subscription Agreement was, and is, to assist Panva Gas in obtaining funds needed for expansion in its piped gas business, the liquefied petroleum gas business and as working capital, the Company will, together with Panva Gas, explore other options to facilitate the raising of funds by Panva Gas, which may include access to the proceeds of the Placing.

Completion of Subscription

Completion of the Subscription will take place on the second business day after the date upon which the last of the conditions to be satisfied has been so satisfied or such later date as Panva Gas and the Vendor may agree in writing.

5. REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Vendor entered into the Placing Agreement to facilitate the raising of funds by Panva Gas. The proceeds of the Placing will be used by the Vendor for the Subscription in accordance with the terms, and subject to the conditions, of the Subscription Agreement.

The directors of Panva Gas believe the terms of the Placing and the Subscription, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and in the interests of the shareholders of Panva Gas as a whole. In arriving at this view, the directors of Panva Gas have taken into account the fact that the Placing and the Subscription will broaden the shareholder base and the capital base of Panva Gas. The gross proceeds of the Placing and the Subscription amount to approximately HK\$620,800,000. The net proceeds of the Placing and the Subscription amount to approximately HK\$589,800,000. Panva Gas intends to apply such net proceeds to fund expansion in the piped gas business (as to approximately 70%), the liquefied petroleum gas business (as to approximately 20%) and as working capital (as to approximately 10%). Panva Gas has not identified any potential/specific piped gas project for the use of the placing proceeds at this stage and will disclose information regarding any such specific project (if and when so identified) in accordance with the GEM Listing Rules.

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6. EFFECTS ON SHAREHOLDING IN PANVA GAS

The effects of the issue of the Conversion Shares, the Placing and the Subscription on the shareholding structure of Panva Gas was and will be as follows:

| | Before completion of the issue of the Conversion Shares and the Placing | | After completion of the issue of the Conversion Shares and completion of the Placing but before completion of the Subscription | | After completion of the issue of the Conversion Shares and completion of the Placing and the Subscription | |
|---|--|---------------|---|---------------|---|---------------|
| | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Vendor and its associates | 441,380,062 | 72.95 | 455,671,587 | 58.83 | 610,871,587 | 65.70 |
| Connected persons of Panva Gas other than the Vendor and its associates | 4,320,000 | 0.71 | 4,320,000 | 0.56 | 4,320,000 | 0.47 |
| Public | 159,375,938 | 26.34 | 314,575,938 | 40.61 | 314,575,938 | 33.83 |
| Total | <u>605,076,000</u> | <u>100.00</u> | <u>774,567,525</u> | <u>100.00</u> | <u>929,767,525</u> | <u>100.00</u> |

7. DISCLOSEABLE TRANSACTION

The Company, through the Vendor, and together with other associates of the Company, held approximately 72.95% of Panva Gas' issued share capital as at the date of the Placing Agreement.

Following completion of the issue of the Conversion Shares and completion of the Placing, the aggregate shareholdings of the Company and its associates (including the Vendor) are approximately 58.83% of Panva Gas' existing issued share capital as enlarged by the issue of the Conversion Shares. The Subscription, if completed, will increase the aggregate shareholdings of the Company and its associates (including the Vendor) to approximately 65.70% of Panva Gas' issued share capital as enlarged by the issue of the Conversion Shares and by the Subscription.

The Directors consider that there is no material effect on the Company and its associates except the change in their aggregate shareholdings in Panva Gas from 72.95% as at the date of the Placing Agreement to 58.83% after completion of the issue of the Conversion Shares and completion of the Placing but before completion of the Subscription or from 72.95% as at the date of the Placing Agreement to 65.70% after completion of the issue of the Conversion Shares and completion of the Placing and the Subscription.

The Placing and the Subscription constitute a discloseable transaction for the Company under the Listing Rules.

The Placing will give rise to an exceptional profit in the consolidated accounts of the Company for the year ended 31 December 2003. The final figure of the exceptional profit will be subject to audit.

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8. GENERAL

The Group is a conglomerate with extensive businesses presence in the PRC. The Group's businesses can be classified into three areas: (i) property development and investment; (ii) pipeline construction, transportation, storage, distribution and sales of liquefied petroleum gas and natural gas; and (iii) electricity generation and supply.

The Panva Gas Group is principally engaged in the sale and distribution of natural gas and liquefied petroleum gas in the eastern, central and southwest regions of the PRC. The main activities include the sale of liquefied petroleum gas in bulk and in cylinders, the provision of piped natural gas and liquefied petroleum gas, and the sale of natural gas and liquefied petroleum gas household appliances. The profit before taxation and minority interests and net profit after taxation and minority interests of the Panva Gas Group for the nine months ended 30 September 2003 were HK\$157,804,000 (unaudited) and HK\$132,649,000 (unaudited) respectively; the profit before taxation and minority interests and net profit after taxation and minority interests of the Panva Gas Group for the year ended 31 December 2002 were HK\$178,303,000 and HK\$132,538,000 respectively and the profit before taxation and minority interests and net profit after taxation and minority interests of the Panva Gas Group for the year ended 31 December 2001 were HK\$68,499,000 and HK\$31,693,000 respectively.

By order of the Board
Sinolink Worldwide Holdings Limited
Tang Yui Man, Francis
Executive Director and Chief Executive Officer

Hong Kong, 19 December 2003

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Company Shares, underlying Company Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Company to be notified to the Company and the Stock Exchange, were as follows:

(a) Directors' Interests or Short Positions in the Company Shares and in Share Options

| Name of Directors | Capacity | Personal interest | Interest in Company Shares Long positions/(Short positions) | | | Interest in underlying Company Shares pursuant to share options | Aggregate interest/(Short positions) | Approximate percentage of the Company's issued share capital |
|---------------------------|---|-------------------|--|--------------------|----------------------------------|---|--------------------------------------|--|
| | | | Family interest | Corporate interest | Total interest in Company Shares | | | |
| Mr. Chen Wei | Beneficial owner | – | – | – | – | 12,000,000 | 12,000,000 | 0.63% |
| Mr. Law Sze Lai | Beneficial owner | – | – | – | – | 12,000,000 | 12,000,000 | 0.63% |
| Mr. Tang Yui Man, Francis | Beneficial owner | – | – | – | – | 3,800,000 | 3,800,000 | 0.20% |
| Mr. Ou Yaping | Beneficial owner and interest of controlled corporation | – | 5,396,600 | 1,245,185,000 | 1,250,581,600 (Note) | – | 1,250,581,600 | 65.44% |

Note: These Company 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 Company Shares” below.

Directors’ rights to acquire Company Shares

Pursuant to the Company’s share option scheme, the Company has granted options on the ordinary Company Shares in favour of certain Directors, the details of which are as follows:

| Name of Directors | Date of grant | Exercisable period | Exercise price HK\$ | Number of Company Shares subject to outstanding options as at Latest Practicable Date | Approximately percentage of the Company’s issued share capital |
|---------------------------|---------------|--------------------------|------------------------|---|--|
| Mr. Chen Wei | 14.03.2002 | 01.09.2002 to 01.09.2004 | 0.67 | 6,000,000 | 0.31% |
| | 14.03.2002 | 01.12.2002 to 01.12.2005 | 0.67 | 6,000,000 | 0.31% |
| Mr. Law Sze Lai | 14.03.2002 | 01.09.2002 to 01.09.2004 | 0.67 | 6,000,000 | 0.31% |
| | 14.03.2002 | 01.12.2002 to 01.12.2005 | 0.67 | 6,000,000 | 0.31% |
| Mr. Tang Yui Man, Francis | 14.03.2002 | 01.09.2002 to 01.09.2004 | 0.67 | 1,900,000 | 0.10% |
| | 14.03.2002 | 01.12.2002 to 01.12.2005 | 0.67 | 1,900,000 | 0.10% |

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

(b) Directors' Interests in associated corporations (within the meaning of Part XV of the SFO) of the Company

| Name of Directors | Name of associated corporation | Capacity | Nature of interest | Total interest in shares long positions/ (short positions) | Interest in underlying shares pursuant to share options/ Rights Issue | Aggregate interest/ (short positions) | Approximate percentage of the issued share capital of associated corporation |
|---------------------------|--------------------------------|------------------------------------|--------------------|--|---|---------------------------------------|--|
| Mr. Chen Wei | Panva Gas | Beneficial owner | Personal | 2,160,000 | 5,040,000 | 7,200,000 | 0.93% |
| Mr. Tang Yui Man, Francis | Panva Gas | Beneficial owner | Personal | 1,440,000 | 960,000 | 2,400,000 | 0.31% |
| Mr. Ou Yaping | Panva Gas | Interest of controlled corporation | Corporate | 610,871,587 (38,461,538) (Note 1) | 3,600,000 | 614,471,587 (38,461,538) | 79.33% (4.97%) |
| | Enerchina | Interest of controlled corporation | Corporate | 91,799,830 | 496,161,621 | 587,961,451 (Note 2) | 76.50% |

Notes:

1. The 610,871,587 shares represent (i) 598,789,987 shares held by Kenson. Mr. Ou Yaping is therefore deemed under Part XV of the SFO to be interested in these shares; (ii) 12,081,600 shares are held by Asia Pacific directly; and (iii) 155,200,000 Subscription Shares. As the entire issued share capital of Asia Pacific are legally and beneficially held by Mr. Ou Yaping. Mr. Ou Yaping is therefore also deemed to be interested in all shares held by Asia Pacific under Part XV of the SFO.

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

2. 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"). If Smart Orient is called upon in full to subscribe for the new shares pursuant to its obligations under the underwriting agreement dated 27 October 2003 and entered into between Enerchina Holdings Limited ("Enerchina") and Smart Orient in relation to the rights issue of nine new shares for every five existing shares held by the qualifying shareholders of Enerchina as of 4 December 2003, the number of shares deemed to be held by the Company would be increased from 91,799,830 shares to 587,961,451 shares. Mr. Ou Yaping is therefore also deemed under Part XV of the SFO to be interested in these shares.

3. SUBSTANTIAL INTERESTS

Other than the interests disclosed above in respect of certain Directors, the Directors are not aware of any other person who, as at the Latest Practicable Date, had an interest or short position in the Company Shares or underlying Company Shares 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 was 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 meetings of any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or was proposing to enter into, any service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, neither the Company nor any member of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or arbitration or claim of material importance known to the Directors to be pending or threatened by or against the Company or any member of the Group.

6. GENERAL

- (a) The secretary of the Company is Mr. Yu Man To, Gerald, *CPA (Aust.)*, *AHKSA*. Mr. Yu holds a Bachelor degree in Business and a Master degree in Business Administration and is a certified practising accountant in Australia and an associate member of the Hong Kong Society of Accountants.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The registrars and transfer office of the Company in Hong Kong is Central Registration Hong Kong Limited whose office is situated at Room 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.