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The directors of Panva Gas Holdings Limited collectively and individually accept full responsibility for this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge and belief: (1) the information contained in this announcement (other than that relating to Sinolink Worldwide Holdings Limited) is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement (other than that relating to Sinolink Worldwide Holdings Limited) have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable. The directors of Panva Gas Holdings Limited further confirm that this announcement includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Panva Gas Holdings Limited.

The directors of Sinolink Worldwide Holdings Limited collectively and individually accept full responsibility for this announcement (other than that relating to Panva Gas Holdings Limited) and confirm, having made all reasonable enquires, that to the best of their knowledge and belief: (1) the information contained in this announcement (other than that relating to Panva Gas Holdings Limited) is accurate and complete in all material respects and not misleading; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Panva Gas Holdings Limited.



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)



PANVA GAS HOLDINGS LIMITED

百江燃氣控股有限公司*

(incorporated in the Cayman Islands with limited liability)

DISCLOSEABLE TRANSACTION

**MAJOR TRANSACTION
AND
CONNECTED TRANSACTION**

**PLACING OF EXISTING SHARES
AND
SUBSCRIPTION FOR NEW SHARES**

On 4 December 2003, the Vendor, a wholly owned subsidiary of Sinolink, and Panva Gas entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents will, on a several basis, purchase or procure purchasers to acquire, and the Vendor will 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 will, subject to certain conditions being fulfilled which include the approval by the shareholders (other than the Vendor and its associates) of Panva Gas of the Subscription, subscribe for the same number of new Shares at a price equal to the Subscription Price.

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 Shares represent approximately 25.65% of the existing issued share capital of Panva Gas of 605,076,000 Shares and approximately 20.04% of the issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares as described below. The Subscription Shares represent approximately 25.65% of the existing issued share capital of Panva Gas 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. Upon completion of the issue of the Conversion Shares, the Placing and the Subscription, the aggregate shareholdings of Sinolink and its associates will be decreased from approximately 72.95% to 65.70%.

Supreme All Investments Limited, a wholly owned subsidiary of Sinolink, will exercise its right under the convertible note issued by Panva Gas on 4 April 2001, to acquire 169,491,525 Conversion Shares, subject to and upon completion of the Placing. The Conversion Shares represent approximately 21.88% of the 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 will take place simultaneously.

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 new Shares at the Subscription Price of HK\$4.00 per Share, which is the same as the Placing Price. The number of new Subscription Shares is equal to the number of Placing Shares. The new Subscription Shares represent approximately 25.65% of the existing issued share capital of Panva Gas 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 Subscription constitutes a major transaction and a connected transaction for Panva Gas under the GEM Listing Rules and is subject to the approval of the shareholders of Panva Gas at the Panva Gas EGM. The Vendor and its associates are required to abstain from voting on the Subscription. Hutchison, which holds approximately 6.36% of Panva Gas' existing issued share capital, and 4.97% of Panva Gas' issued share capital as enlarged by the issue of the Conversion Shares, has unconditionally and irrevocably undertaken to exercise any voting right 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.

The Placing and the Subscription are not interconditional.

A circular setting out details of the Subscription and a letter from an independent financial adviser, together with a notice for the convening of the Panva Gas EGM will be despatched to the shareholders of Panva Gas as soon as practicable and in any event within 21 days from the date of this announcement (or such later date as may be permitted by the Stock Exchange).

The Placing and the Subscription constitute a discloseable transaction for Sinolink under the Listing Rules. A circular setting out details of the Placing and the Subscription will be despatched to the shareholders of Sinolink as soon as practicable and in any event within 21 days from the date of this announcement (or such later date as may be permitted by the Stock Exchange).

At the request of Panva Gas, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 4 December 2003 pending the issue of this announcement. Application has been made by Panva Gas to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 8 December 2003. At the request of Sinolink, trading in the shares of Sinolink on the Stock Exchange was suspended from 10:32 a.m. on 5 December 2003 pending the issue of this announcement. Application has been made by Sinolink to the Stock Exchange for the resumption of trading in the shares of Sinolink on the Stock Exchange from 9:30 a.m. on 8 December 2003.

PLACING AGREEMENT DATED 4 DECEMBER 2003

Parties

- (i) The Vendor, Kenson Investment Limited, a wholly-owned subsidiary of Sinolink. As at the date of the Placing Agreement, the Vendor held 429,298,462 Shares, representing approximately 70.95% of Panva Gas' existing issued share capital of 605,076,000 Shares.
- (ii) Panva Gas Holdings Limited ("Panva Gas").
- (iii) Morgan Stanley & Co. International Limited ("Morgan Stanley"), as the sole bookrunner and lead manager in respect of the Placing.
- (iv) Other Placing Agents, together with Morgan Stanley, the ("Placing Agents") 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 independent of and not connected with the directors, chief executive or substantial shareholders of Sinolink or any of its subsidiaries or any associate of any of them.

Number of Shares to be placed

155,200,000 existing Shares. This is approximately 25.65% of Panva Gas' existing issued share capital; approximately 20.04% of Panva Gas' 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

More than six independent professional, institutional and/or individual investors are to be procured by the Placing Agents. To the best knowledge of Panva Gas and Sinolink, 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, 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 Sinolink or any of its subsidiaries or any associate of any of them.

Placing Price

HK\$4.00 per Placing Share. This has been determined on an arm's length basis. The total consideration for the Placing Shares will be HK\$620,800,000 and will be 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 represents:

- (1) a discount of about 17.95% to the closing price of HK\$4.875 per Share 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 issuance of this announcement; and
- (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 issue of this announcement.

The directors of Panva Gas and Sinolink are of the opinion that the Placing Price is fair and reasonable and is in the best interests of Panva Gas.

The Vendor has 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.

Rights

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

Completion of Placing

Completion of the Placing is expected to take place on or before 9 December 2003 (or such later date as the Vendor, Panva Gas and the Placing Agents may agree). A further joint announcement from Sinolink and Panva Gas on the result of the placing will be made in accordance with Rule 16.16 of the GEM Listing Rules.

Termination events

The Placing Agreement contains provisions granting Morgan Stanley, as sole bookrunner and lead manager, on behalf of the Placing Agents, the right to terminate the Placing Agreement if prior to completion of the Placing:

- (1) the Placing Agents become aware of any material breach of, or any event rendering untrue or incorrect, any of the representations, warranties or undertakings given by the Vendor and/or Panva Gas under the Placing Agreement which in the sole opinion of Morgan Stanley, would be likely to prejudice materially the success of the Placing; or
- (2) (i) trading of or dealings in the Shares or any securities of Panva Gas become suspended for any period whatsoever on any exchange or in any over-the-counter market (even if such suspension is subsequently lifted prior to completion of the Placing, but excluding any suspension arising out of or in connection with the Placing), or (ii) the listing of the Shares on GEM is cancelled; or (iii) there occurs any adverse announcement, determination or ruling of any governmental or other regulatory body, which (in any case mentioned in (i) or (ii) above), in the sole opinion of Morgan Stanley, would be likely to prejudice materially the success of the Placing; or
- (3) trading in any shares or securities generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade and either the Main Board or GEM of the Stock Exchange; or
- (4) a material disruption in securities settlement, payment or clearance services in Hong Kong or the United States shall have occurred; or
- (5) any moratorium on commercial banking activities shall have been declared by any Hong Kong, United States Federal or New York State authorities; or
- (6) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in Morgan Stanley's judgment, is material and adverse and which, singly or together with any other event specified above, makes it, in Morgan Stanley's judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Placing Shares on the terms and in the manner contemplated in the Placing Agreement.

CONVERSION OF CONVERTIBLE NOTE

Supreme All Investments Limited, a wholly owned subsidiary of Sinolink, will exercise its rights under the Convertible Note to fully convert it into 169,491,525 new Shares conditional on completion of the Placing. Conversion will not be conditional on completion of the Subscription. The Conversion Shares when issued will rank pari passu with other issued Shares and will represent approximately 21.88% of the 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 will take place simultaneously. Upon issue of the Conversion Shares, Sinolink and its associates will hold in total 455,671,587 Shares representing 58.83% of the issued share capital of Panva Gas as enlarged by the issue of the Conversion Shares. The Company is of the view that Supreme All Investments Limited will not, upon completion of the conversion, be under any obligation to make a general offer for all of the Shares of Panva Gas.

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 Sinolink, to Sinolink. 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.

No connected person or connected persons of Sinolink (excluding a person who is a connected person by virtue only of his substantial shareholding in Panva Gas) is or are together a substantial shareholder in Panva Gas.

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 is approximately 25.65% of Panva Gas' existing issued share capital of 605,076,000 Shares; approximately 20.04% of Panva Gas' issued shares 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.

The Vendor and its associates at present own approximately 72.95% of the existing issued share capital of Panva Gas. 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 will be reduced to approximately 58.83% of the 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 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 will apply to the GEM Listing Committee of the Stock Exchange for listing of and permission to deal in the Subscription Shares.

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.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

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 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 LPG 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.

MAJOR TRANSACTION AND CONNECTED TRANSACTION FOR PANVA GAS

The Subscription constitutes a major transaction for Panva Gas under the GEM Listing Rules. As the Vendor is a substantial and controlling shareholder of Panva Gas, the Subscription will also constitute a connected transaction for Panva Gas under the GEM Listing Rules. The Subscription does not fall within the exemption from disclosure and shareholders' approval under Rule 20.23(3)(d) of the GEM Listing Rules relating to connected transactions as the Subscription will not be completed within 14 days after the completion of the Placing. The Subscription and the issue of the Subscription Shares are subject to the approval of the shareholders of Panva Gas at the Panva Gas EGM to be convened for such purpose. The Vendor and its associates will be required to abstain from voting on the Subscription. Hutchison, which holds approximately 6.36% of Panva Gas' existing issued share capital, and 4.97% of Panva Gas' issued share capital as enlarged by the issue of the Conversion

Shares, has unconditionally and irrevocably undertaken to exercise any voting right 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.

A circular setting out details of the Subscription and a letter from an independent financial adviser, together with a notice for the convening of the Panva Gas EGM will be despatched to the shareholders of Panva Gas as soon as practicable and in any event within 21 days from the date of this announcement (or such later date as may be permitted by the Stock Exchange).

DISCLOSEABLE TRANSACTION FOR SINOLINK

Sinolink, through the Vendor, and together with other associates of Sinolink, currently hold approximately 72.95% of Panva Gas’ existing issued share capital.

Following completion of the issue of the Conversion Shares and completion of the Placing, the aggregate shareholdings of Sinolink and its associates (including the Vendor) will be approximately 58.83% of Panva Gas’ issued share capital as enlarged by the issue of the Conversion Shares. The Subscription, if completed, will increase the aggregate shareholdings of Sinolink 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 of Sinolink consider that there is no material effect on Sinolink and its associates except the change in their aggregate shareholdings in Panva Gas from 72.95% as at the date of this announcement 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 this announcement 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 Sinolink under the Listing Rules and a circular setting out details of the Placing and the Subscription will be despatched to the shareholder of Sinolink as soon as practicable and in any event within 21 days from the date of this announcement (or such later date as may be permitted by the Stock Exchange).

Effect 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 will be as follows:

| | Existing Shareholding | | 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 | 0.46 |
| 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> |

Panva Gas noted various articles in the newspapers on 5 December 2003 in connection with the Placing and the piped gas projects of the Company. Such announcements did not contain any material information which have not been disclosed by announcements previously issued by Panva Gas or this announcement. In view of the various articles in the newspapers on 5 December 2003, investors are asked to refer to this announcement for details of the Placing.

BUSINESS OF THE PANVA GAS GROUP

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. The consolidated net tangible asset values of the Panva Gas Group as at 30 June 2003 and 31 December 2002 were HK\$330,742,000 (unaudited) and HK\$262,995,000 respectively.

For the past 12 months, the only fund raising activity that Panva Gas has engaged in was the issue of convertible bonds due 2008 in the aggregate principal amount of US\$50 million (approximately HK\$390 million) on 23 April 2003. Out of the US\$50 million proceeds from the issue of the convertible bonds, approximately US\$30 million (approximately HK\$234 million) has been utilised. Out of the US\$30 million utilised, approximately 70% has been used to fund expansion in the piped gas business, approximately 20% has been used to fund expansion in the LPG business and approximately 10% has been used for working capital. The remaining unutilised proceeds (US\$20 million, approximately HK\$156 million) are placed at banks in Hong Kong and the PRC as interest-bearing deposits.

BUSINESS OF THE SINOLINK GROUP

The Sinolink Group is a conglomerate with extensive businesses presence in the PRC. The Sinolink 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.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of Panva Gas, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 4 December 2003 pending the issue of this announcement. Application has been made by Panva Gas to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 8 December 2003.

At the request of Sinolink, trading in the shares of Sinolink on the Stock Exchange was suspended from 10:32 a.m. on 5 December 2003 pending the issue of this announcement. Application has been made by Sinolink to the Stock Exchange for the resumption of trading in the shares of Sinolink on the Stock Exchange from 9:30 a.m. on 8 December 2003.

Definitions

“associate” has the meaning ascribed to it under the GEM Listing Rules.

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| “Convertible Note” | the HK\$100 million convertible note issued by Panva Gas to Supreme All Investments Limited, a wholly owned subsidiary of Sinolink, on 4 April 2001, convertible into Shares at HK\$0.59 per Share. |
| “Conversion Shares” | the 169,491,525 Shares (representing approximately 28% of the existing issued share capital of Panva Gas) to be issued to Supreme All Investments Limited as a result of the conversion of the Convertible Note. |
| “GEM” | the Growth Enterprise Market of the Stock Exchange. |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM. |
| “Hutchison” | Hutchison International Limited, a company which holds 6.36% of Panva Gas as at the date of this announcement. |
| “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. |
| “Panva Gas” | Panva Gas Holdings Limited, a company incorporated under the laws of the Cayman Islands whose Shares are listed on GEM. |
| “Panva Gas EGM” | the extraordinary general meeting of Panva Gas to be held 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. |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of Panva Gas. |
| “Sinolink” | Sinolink Worldwide Holdings Limited, a company incorporated under the laws of Bermuda whose shares are listed on the Stock Exchange, which together with its associates beneficially holds 72.95% interest in Panva Gas as at the date of this announcement. |
| “Sinolink Group” | Sinolink and its subsidiaries. |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited. |

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|--------------------------|--|
| “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” | Kenson Investment Limited, an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Sinolink. |

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

By Order of the Board
Panva Gas Holdings Limited
Chen Wei
Managing Director

Hong Kong, 5 December 2003

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of Panva Gas at www.panva-gas.com.

** For identification purpose only*

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Journal.