



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF 2001 RESULTS

RESULTS

The board of directors (the “Directors”) of Sinolink Worldwide Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2001, together with the comparative figures for the corresponding year, as follows:

	NOTES	2001 HK\$'000	2000 HK\$'000
Turnover	2	1,527,305	1,518,830
Cost of sales		(1,258,519)	(1,373,418)
Gross profit		268,786	145,412
Other revenue	4	10,117	4,673
Distribution costs		(48,233)	(37,080)
Administrative expenses		(101,503)	(99,529)
Other operating expenses		(5,912)	(1,363)
Profit from operations		123,255	12,113
Interest income on bank deposits		22,733	27,455
Finance costs		(6,844)	(5,326)
Gain on disposal of subsidiaries		44,466	—
Gain on disposal of an associate		422	—
Share of results of associates		(360)	222
Profit before taxation		183,672	34,464
Taxation	5	(10,499)	(7,049)
Profit before minority interests		173,173	27,415
Minority interests		(56,202)	(6,385)
Net profit for the year		116,971	21,030
Dividends	6	60,639	—
		HK cents	HK cents
Earnings per share	7		
Basic		7.00	1.26
Diluted		6.63	N/A

Notes:

1. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted for the first time a number of new and revised Statements of Standard Accounting Practice (“SSAPs”) issued by the Hong Kong Society of Accountants. Adoption of these SSAPs has led to a number of changes in the Group’s accounting policies.

The adoption of these new and revised SSAPs has resulted in the following changes to the Group’s accounting policies that have affected the amounts reported for the current or prior periods.

SSAP No. 14 (Revised) “Leases”
SSAP 26 “Segment Reporting”
SSAP 30 “Business Combinations”

2. TURNOVER

	2001 HK\$'000	2000 HK\$'000
Sales of completed properties/development properties	335,898	349,580
Revenue from electricity supply operations	156,156	80,837
Revenue from gas fuel business	1,008,335	1,059,729
Others (Note)	26,916	28,684
	1,527,305	1,518,830

Note:Others include income from decoration, interior design work and property management services.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

(A) Business Segments

For management purposes, the Group is currently organised into four operating divisions - property development, electricity supply, gas fuel business and others. These divisions are the basis on which the Group reports its primary segment information. Principal activities are as follows:

Property development — sales of completed properties/development properties
Electricity supply — electricity generation and supply operations
Gas fuel business — wholesaling and retailing of gas fuel and the construction of gas pipelines
Others — decoration, interior design work and property management services

(i) Segment information about these business for the year ended 31 December 2001 is presented below.

	Property development HK\$'000	Electricity supply HK\$'000	Gas fuel business HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	335,898	156,156	1,008,335	26,916	—	1,527,305
Inter-segment sales	—	—	—	54,722	(54,722)	—
	335,898	156,156	1,008,335	81,638	(54,722)	1,527,305
Inter-segment sales are charged at prevailing market prices.						
RESULT						
Segment result	46,443	10,993	64,840	3,771	—	126,047
Other revenue						10,117
Unallocated corporate expenses						(12,909)
Profit from operations						123,255
Interest income						22,733
Finance costs						(6,844)
Gain on disposal of subsidiaries						44,466
Gain on disposal of an associate						422
Share of results of associates						(360)
Profit before taxation						183,672
Taxation						(10,499)
Profit after taxation						173,173

OTHER INFORMATION

	Property development HK\$'000	Electricity supply HK\$'000	Gas fuel business HK\$'000	Others HK\$'000	Total HK\$'000
Capital additions	16,473	33,697	70,649	1,080	121,899
Depreciation and amortisation	10,348	16,851	16,355	996	44,550
Unrealised holding loss on other investments	—	—	—	2,317	2,317
Deficit on revaluation of property, plant and equipment	—	—	1,851	—	1,851

(ii) Segment information about these business for the year ended 31 December 2000 is presented below.

	Property development HK\$'000	Electricity supply HK\$'000	Gas fuel business HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	349,580	80,837	1,059,729	28,684	—	1,518,830
Inter-segment sales	—	—	—	9,961	(9,961)	—
	349,580	80,837	1,059,729	38,645	(9,961)	1,518,830
Inter-segment sales are charged at prevailing market prices.						
RESULT						
Segment result	40,596	(16,266)	1,245	(11,162)	—	14,413
Other revenue						4,673
Unallocated corporate expenses						(6,973)
Profit (loss) from operations						12,113
Interest income						27,455
Finance costs						(5,326)
Share of results of associates						222
Profit before taxation						34,464
Taxation						(7,049)
Profit after taxation						27,415

OTHER INFORMATION

	Property development HK\$'000	Electricity supply HK\$'000	Gas fuel business HK\$'000	Others HK\$'000	Total HK\$'000
Capital additions	14,692	9,415	61,293	270	85,670
Depreciation and amortisation	9,084	16,280	11,354	528	37,246
Unrealised holding loss on other investment	—	—	—	554	554
Provision for doubtful debts	3,301	—	—	—	3,301

(B) Geographical segment

As over 90% of the consolidated turnover, trading results, and assets for the year is derived from the People’s Republic of China (“PRC”), an analysis of the consolidated turnover, trading results and assets by geographical location is not presented.

4. OTHER REVENUE

	2001 HK\$'000	2000 HK\$'000
Rental income under operating leases	2,216	1,358
Insurance claimed	1,957	—
Gain on disposal of investment in securities	1,616	—
Gain on disposal of property, plant and equipment	541	—
Net exchange gain	316	—
Realisation of negative goodwill	145	—
Deposits forfeited	—	734
Dividend income	—	108
Sundry	3,326	2,473
	10,117	4,673

5. TAXATION

	2001 HK\$'000	2000 HK\$'000
The tax charge comprises:		
Profit for the year		
The PRC excluding Hong Kong	10,499	7,049

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in, nor is derived from, Hong Kong.

Pursuant to relevant laws and regulations in the PRC, certain of the Group’s PRC subsidiaries established in the PRC are exempted from paying income tax for the first two years starting from their first profitable year of operations, followed by a 50 per cent. reduction from the third to fifth year. Provision for PRC income tax is provided for with reference to the applicable tax rates on the estimated assessable profits of those subsidiaries for the year, which range from 15% to 33%.

Deferred taxation has not been provided for in the financial statements as there were no significant timing differences arising during the year or at the balance sheet date.

6. DIVIDENDS

On 12 April 2001, the Company distributed a special interim dividend of HK\$15,039,000 by way of dividend in specie of 15,200,000 shares of Panva Gas Holdings Limited (“PANVA shares”) in the proportion of 20 PANVA shares for every 2,000 shares of the Company held.

The Company paid an interim dividend of HK\$0.03 per share (2000: Nil) amounting to HK\$45,600,000 in respect of the six months ended 30 June 2001.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2001 HK\$'000	2000 HK\$'000
Earnings for the purposes of basic earnings per share	116,971	21,030
Effect of dilutive potential shares:		
Interest on convertible note	2,759	—
Earnings for the purposes of diluted earnings per share	119,730	—
Weighted average number of shares for the purposes of basic earnings per share	1,672,000,000	1,672,000,000
Effect of dilutive potential ordinary shares:		
Convertible note	134,592,000	—
Weighted average number of shares for the purposes of diluted earnings per share	1,806,592,000	—
The computation of diluted earnings per share does not assume the exercise of the Company’s outstanding share options as the exercise price of those options is higher than the average market price for shares for both 2000 and 2001.		
No diluted earnings per share for 2000 had been presented as the exercise of convertible note was anti-dilutive.		

BONUS ISSUE OF SHARES

On 26 October 2001, the Company issued 152,000,000 shares of HK\$0.10 each in the Company as bonus issue of shares on the basis of one new share of HK\$0.10 each for every ten existing shares of HK\$0.10 each held by the shareholders of the Company.

BONUS ISSUE OF WARRANTS

The Directors will propose a bonus issue of warrants (“Bonus Warrant Issue”) to shareholders of the Company whose names appear on the register of members of the Company on 24 May, 2002 in the proportion of one warrant for every ten shares at the forthcoming special general meeting of the Company to be held on 24 May, 2002. Further announcement will be made by the Company relating to the Bonus Warrant Issue.

REVIEW OF OPERATIONS

For the year ended 31 December 2001, the Group’s turnover amounted to approximately HK\$1,527,305,000, an increase of 0.56% compared with 2000. Profit attributable to shareholders grew by 456.2% to approximately HK\$116,971,000. As at 31 December 2001, the Group’s consolidated net asset value was approximately HK\$1,275,760,000, or HK\$0.76 per share, with cash on hand of HK\$565,438,000 and a long-term debt to equity ratio of 40%.

During the year under review, the PRC economy grew strongly in 2001 against the global economic slowdown. With operations focusing in the PRC, the Group benefited from the country’s favourable economic environment.

Property Development

The Shenzhen municipal government and the relevant authorities have introduced systematic measures to standardise the city’s land development and to promote the real estate sector, which result in a more structured land supply and booming activities in the Shenzhen property market. The advantage of Shenzhen being a neighbour to the Hong Kong Special Administrative Region (“Hong Kong”) also brought considerable demand for Shenzhen properties. Engaged in property development in Shenzhen for many years, the Group has nurtured a professional project team and established “Sinolink” as a brand name for high quality properties. These competitive advantages enabled the Group to seize the market opportunities by accelerating the development of its real estate projects in Shenzhen and made the timely launch of Sinolink Garden Phase Three, named Mandarin House, to meet the strong market demand.

During the year, the Group launched the sale of Mandarin House, which comprises seven blocks of 32-storey residential buildings with a total of 1,288 units representing a gross floor area of 100,000 square metres. Despite the project is still under construction, the pre-sale commenced in August has been well received. The Group has offered different sales packages to homebuyers to give them more flexibility.

The Group sold a total floor area of 56,932 square metres during the year at an average selling price of RMB8,164 per square metre. Plans were also made for the launch of projects in 2002 including the Sinolink No. 8 and for the increase in land bank.

In December, the Group participated in a public land auction held in Shenzhen and won the bid for a land lot in Mangrove Bay for a consideration of RMB780,000,000. The land, renowned as one of the best land lots in Shenzhen, occupies a total area of 75,101.8 square metres with a buildable area of 255,300 square metres. The Group has named this project as “Mangrove West Coast” (紅樹西岸) to reflect its prime location. It enjoys an unobstructed view of Shenzhen Bay with attractive sceneries of the golf club, theme parks and lakes, as well as excellent town planning and convenient transportation facilities.

Gas Fuel Business

For the year ended 31 December 2001, the Liquid Petroleum Gas (“LP Gas”) and natural gas business recorded a turnover of approximately HK\$1,008,335,000, representing a slight decrease of approximately 4.85% from the previous year. The gross profit margin increased from 4.59% in 2000 to 12.68% in 2001. The increase in gross profit margin was mainly attributable to the increase in the proportion of the retail business of the Group which commands a higher gross profit margin than the wholesale operation.

Through dedication and hard work from the management team of Panva Gas Holdings Limited (“Panva Gas”), the end-user household customers of Panva Gas are now over 1,150,000 households, an increase of approximately 43.75% when compared to last year. The increase is a reflection of Panva Gas’s commitment to expand its retail operations by strengthening of customer management and the continuous improvement of customer services.

In developing the piped gas provision business, Panva Gas has spent much of its efforts on the construction of piped gas stations, main pipelines, and branch gas pipeline networks, establishing a network to supply LP Gas and natural gas directly into the homes of the end-user customers.

Electricity Supply

Having completed the fuel conversion for electricity generation in 2000 to reduce the risks of fuel price fluctuations, the Group’s subsidiary Shenzhen Fuhuade Electric Power Co., Ltd. (“Fuhuade”) was able to report good operating results in 2001. During the year, Fuhuade sold a total of 260,000,000 Watts of electricity and its generators attained a high utilisation rate of 87.9%. This coupled with the success in controlling fuel costs have enabled the electricity supply business to be profitable again.

In developing of the strong demand for electricity in the Guangdong province, the Group has decided to further expand its electricity supply business. During the year, Fuhuade purchased a gas turbine generator unit and accessory equipment from Siemens Atkiengesellschaft, which will enable Fuhuade to operate a combined cycle power plant that will enlarge its electricity output capacity from 70.8 mega watts to 285 mega watts. The generator unit can also use natural gas as fuel, thus enabling Fuhuade to further reduce its fuel costs. The expansion in output capacity together with the reduction in fuel costs will further improve the profitability of Fuhuade.

PROSPECTS

Property Development

With the PRC’s entry to the World Trade Organisation, a growing number of domestic and foreign companies are entering into the PRC real estate market, which will inevitably lead to more intense competition. This might bring a consolidation to the Shenzhen property sector where a number of super giant property companies might emerge. In 2002, with the growing emphasis on capital and skilled labour and increasing standardisation in the Shenzhen real estate sector, the era has come that property developers in Shenzhen will be polarised. New generation property developers and those well established with strengths will hold dominant positions in the market.

Facing this challenging development, the Group will further capitalise on its competitive advantages and strengths to launch high quality properties with sophisticated features, such as the Sinolink No. 8 and Mandarin House, and accelerate the planning and preparations for the development of 山水城 and Mangrove West Coast. The Group will focus on seizing the upcoming opportunities by actively acquiring additional quality land and strengthening and expanding the “Sinolink” brand name. In due course, the Group will systematically expand its property business to other cities with potentials beyond Shenzhen.

Gas Fuel Business

Building on established solid foundations, the Group will further expand the LP Gas and natural gas distribution business, strengthen its corporate management and improve its development planning. The Group will focus on further increasing its solid retail customer base by concentrating on the development of gas pipelines construction projects.

Given the huge market potential in southwestern China and the established policy of the PRC government to develop the region, the Group will speed up its penetration into this market through the Group’s operating subsidiaries in that region. By further increasing its market share in the gas market and developing gas-related projects, in particular city natural gas pipeline projects through equity investment or mergers and acquisitions, the Group can benefit from the expected rapid economic development of the western region. With the “West to East Natural Gas Pipelines Project” moving in full steam, natural gas will account for an increasingly higher share of the PRC’s energy market. Hence, the Group has speeded up the preparation works for the development of the southwestern and eastern regions. These include project investigations, assessments and negotiations and the strengthening of related human and capital resources to ensure that the launched projects will meet the target.

The gas fuel distribution business is entering a period of high growth. The Group will continue to focus on the enhancement of its LP Gas operations and natural gas operations, including infrastructure development, sale and distribution, transportation and storage, and related services. The Group will also participate in acquisitions and mergers to swiftly expand its market share. The continuous rise in the living standards in the PRC, and the PRC government’s commitment to environmental protection and the use of green energy sources, the Group will be able to capitalise on its competitive advantages to generate higher returns to investors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

PUBLICATION OF ANNUAL RESULTS

A detailed results announcement of the Group for the year ended 31 December 2001 containing all the information required by the paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) will be published on the website of the Stock Exchange in due course.

	By Order of the Board OU Yaping Chairman
Hong Kong, 22 April 2002	
* The Chinese name is for identification purpose only.	
Website: http://www.irasia.com/listco/hk/sinolink	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Sinolink Worldwide Holdings Limited (the “Company”) will be held at Chatham Room, Level 7, Conrad Hotel, Pacific Place 88 Queensway, Hong Kong on Friday, 24 May, 2002 at 10:30 a.m. for the following purposes :—

- To receive and consider the audited financial statements and the reports of the directors of the Company (“Directors”) and reports of auditors for the year ended 31 December 2001;
- To re-elect the retiring Directors and to authorize the board of directors to fix their remuneration;
- To re-appoint auditors and authorise the board of Directors to fix their remuneration;
- To transact any other business if necessary.

	By Order of the Board TANG Yui Man, Francis Director
Hong Kong, 22 April, 2002	
Principal place of business:—	
25th Floor, Viewwood Plaza, 199 Des Voeux Road Central, Hong Kong.	

Notes : —

- Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s share registrar in Hong Kong, Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, , 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the member so desires.
- In the case of joint holders of share, if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.