

CONTENTS

Corporate Information	2
Notice of Annual General Meeting	3
Chairman's Statement	7
Directors' Profile	12
Directors' Report	14
Auditors' Report	25
Consolidated Income Statement	26
Consolidated Balance Sheet	27
Balance Sheet	28
Consolidated Statement of Recognised Gains and Losses	29
Consolidated Cash Flow Statement	30
Notes to the Financial Statements	32
Financial Summary	66
Particulars of Major Properties	67

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Ou Yaping (*Chairman and Managing Director*)

Mr. Law Sze Lai

Mr. Chen Wei

Independent non-executive directors

Mr. Liang Xiaoting

Mr. Cheung Wing Yui

Mr. Tsang Yu Chor, Patrick

COMPANY SECRETARY

Mr. Tang Yui Man, Francis

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

25th Floor, Vicwood Plaza

199 Des Voeux Road Central

Central

Hong Kong

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

26th Floor

Wing On Centre

111 Connaught Road Central

Central

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Corporate Services Limited

Rosebank Centre

11 Bermudiana Road

Pembroke

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Central Registration Hong Kong Limited

19th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

LEGAL ADVISERS

(As to Hong Kong Law)

Woo, Kwan, Lee & Lo

Tsang, Chan & Wong

(As to Bermuda Law)

Conyers Dill & Pearman

(As to the PRC Law)

Haiwen & Partners

PRINCIPAL BANKERS

Bank of China, Hong Kong Branch

Bank of China, Shenzhen Branch

Nanyang Commercial Bank, Shenzhen
Branch

China Construction Bank,

Luohu Branch, Shenzhen

China Merchants Bank, Dongmen

Sub-branch, Shenzhen

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 3rd Floor, Jade Ballroom 1, Furama Hotel, One Connaught Road Central, Hong Kong on Wednesday, 28 June, 2000 at 10:00 a.m. for the following purposes:—

1. To receive and consider the financial statements and the directors' and auditors' reports of the Company for the year ended 31 December, 1999.
2. To re-elect the retiring directors and to fix the remuneration of directors.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass with or without amendments the following resolutions as ordinary resolutions of the Company:—

ORDINARY RESOLUTIONS

A. **"THAT:—**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting. "

B. **"THAT:—**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company). "

- C. "THAT subject to the passing of Ordinary Resolutions Nos.4A and 4B set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution No.4B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No.4A set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution."

5. To transact any other business.

By Order of the Board
TANG Yui Man, Francis
Secretary

Hong Kong, 23 May, 2000

NOTICE OF ANNUAL GENERAL MEETING

Principal place of business:—

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

Notes:

1. 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.
2. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 25th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Resolution 4A above will be despatched to members together with the 1999 Annual Report of the Company.

CHAIRMAN'S STATEMENT

On behalf of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), I submit to shareholders the Group's 1999 annual report.

REVIEW OF OPERATIONS

For the year ended 31 December 1999, the Group's turnover amounted to approximately HK\$744,421,000, a decrease of 26.3% compared with 1998. Profit attributable to shareholders fell by 88.3% to approximately HK\$36,006,000. As at 31 December 1999, the Group's consolidated net asset value was HK\$1,178,137,000, or HK\$0.775 per share, with borrowings of HK\$293,756,000, resulting in a debt-to-equity ratio of 24.9%.

Property Development



Consumers in 1999 continued to be cautious resulted in another difficult year for the real estate market in the People's Republic of China (the "PRC"). Analyzing the macro-economic environment, it was fortuitous that the PRC Government took a series of fiscal measures in the latter period of 1999 to support real estate development and to stimulate economic growth. Such measures included tax relief and exemptions for the property sector, as well as consumption drives like reducing interest rates and introducing interest levies on savings. Notwithstanding these efforts, the real estate market was greatly affected by an increased disparity between supply and demand. With more new flats became available from the numerous projects launched in the past two years, market competition has greatly intensified and prompted real estate developers to resort to various sales measures. Facing strong competition from other large residential projects in Shenzhen, the Group managed to stand in good stead. During 1999, the Group sold 178 units of Sinolink Garden Phase Two, which represented an aggregate gross floor area of 22,900 square metres, at an average price of RMB8,864 per square metre.

Sinolink Garden Phase Two comprises 1,047 units with a total gross floor area of approximately 125,000 square metres. During the year, in response to market changes, the Group amended the

CHAIRMAN'S STATEMENT

project by shifting the focus from large units to on small units that were more attractive to buyers. While the revision works have slightly affected our sales schedule, the average selling price of Sinolink Garden remained firm. This can be attributed to the property's renowned quality, good property management and comprehensive amenities, which ensure a highly convenient, safe and comfortable living environment.

In the face of strong market competition, the Group maintained its competitiveness by exercising stringent cost control. As an additional measure, the Group made further improvements in the quality of Sinolink Garden. These included the trial development of Phase Two into a "smart homes" community with high technology features and internet facilities to provide a higher quality of living.

Liquid Petroleum Gas Business

In order to diversify its business, the Group acquired the entire equity interest in China Pan River Group Ltd. ("CPR Group") from our majority shareholder in February 1999. CPR Group is engaged in the development of liquid petroleum gas ("LPG") retail sales networks and the related purchasing, transportation, storage and wholesale of LPG along the Yangzi River and the southwestern and coastal regions of the PRC. As at 31 December 1999, CPR Group had 300,000 customers, an increase of 200% compared to 100,000 at the end of 1998. Its turnover for 1999 exceeded RMB440,000,000, a substantial increase from the previous year.



There has been strong competition among fuel suppliers in the regions where CPR Group operates. In view of this, the management of CPR Group has adopted the business strategy of exercising direct control over the markets by developing comprehensive retail sales networks in these regions. Such efforts yielded satisfactorily for CPR Group during 1999. With strong efforts spent on market development and expansion, CPR Group was highly competitive in product pricing, cost and operational efficiencies, and significantly reinforced the market recognition of its "PANVA" brand products. These competitive advantages together with efficient and comprehensive customer services have laid down a solid foundation for CPR Group to gain further expansion in the fast-growing LPG market.

During the year, CPR Group formed a 50:50 equity joint venture with 南京扬子石化炼化有限公司 (Nanjing Yangzi Petrochemicals Co., Ltd.), a giant state-owned petrochemical enterprise in the PRC with an annual LPG production capacity of 300,000 tonnes. The joint venture, YPC & Panva

CHAIRMAN'S STATEMENT

Energy Co. Ltd. ("Yangzi Panva") commenced operation in November 1999. It provides a solid foundation for CPR Group to further expand its business into eastern China. As at the end of 1999, CPR Group has set up 127 retail outlets in the four provinces of Jiangsu, Anhui, Hunan and Guizhou, which sold a total of approximately 256,000 tonnes of LPG during the year. With clear market positioning, a strong corporate brand name, reliable supply and flexible transportation, CPR Group is striving to further increase its market share in the LPG business through widening the sales and marketing networks. This will help ensure a steady growth of customers and provide stable returns.

Electricity Generation

The Group's subsidiary, Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade"), operates Dapeng Power Plant in Shenzhen. During the year ended 31 December 1999, Fuhuade continued to operate smoothly. Despite the overhaul of the second generating unit, which took place in the second half of the year, Fuhuade still managed to increase its full-year electricity output by approximately 10% from 1998. An aggravating factor was the sharp increase in fuel prices, which led to a rise in production costs. However, Fuhuade was able to increase its productivity and cost efficiency by strengthening its management and internal control. As a result, the company recorded a satisfactory profit in 1999.



PROSPECTS FOR 2000



The Group will actively expand its core businesses of residential property development and electricity generation in Shenzhen and LPG operations in the PRC. It will also explore and seize opportunities to invest in strong potential projects with a view to maximize returns for shareholders.

The Directors believe that residential property development in Shenzhen has high growth potential. According to relevant researches and studies, Shenzhen is highly favoured by both Mainlanders and foreigners as a place for residence. Given that the economic ties between

Shenzhen and Hong Kong are becoming increasingly strong, and the finalizing of 24-hour cross-border admission, it is expected that more Hong Kong people will prefer to "live in Shenzhen and

CHAIRMAN'S STATEMENT

work in Hong Kong", which should help further increase the demand for properties in Shenzhen. Moreover, when the PRC joins the World Trade Organization ("WTO"), it is expected that more foreign countries will step up their business activities in the PRC. Being an important commercial centre in the PRC, Shenzhen is poised to benefit from the expected strong growth in demand for high quality accommodations from foreign businessmen, managers and professionals.

In 2000, the Group will focus on the sale of the north zone of Sinolink Garden Phase Two. It will also commence the development of Phase Three and Four. In view of the increasing demand for quality housing, the Group will step up its preparation works for the transformation of the Yinhu cable site in Luohu, Shenzhen into a developable site. It is expected that the transformation works will take 30 to 36 months to complete, upon which over 320,000 square metres of land will be available for property development.

Since the LPG market in the PRC is still loosely structured, CPR Group will take advantage of the opportunity to aggressively increase its market share. Substantial efforts will be made this year to further expand the retail networks along the Yangzi River and southwestern regions, targeting the major provinces and cities.

The Group will also expand its investments in the LPG business with clear objectives. Various means including acquisitions and mergers will be explored, through which the Group aims to increase its retail network, market share and expand its customer base. Moreover, efforts will be spent to enhance the Group's corporate image. These include imposing a more effective control on product quality, standardizing the operations and providing a more comprehensive range of supporting services. The best management practices of modern retail enterprises will also be introduced to develop the huge LPG market. Furthermore, while the Group is actively expanding the retail market through the supply of LPG in cylinders, it also plans to build more pipeline networks in small districts to match the overall urban developments.

To facilitate these developments, CPR Group has established a wholly-owned subsidiary in the



CHAIRMAN'S STATEMENT



PRC. This subsidiary, PanRiver Investments Company Limited ("PanRiver Investments") was granted the status of foreign-owned investment company by the Ministry of Foreign Trade and Economic Cooperation of the PRC on 19 January 2000, and a business license by the PRC State Administration for Industry and Commerce on 10 March 2000. Through PanRiver Investments, CPR Group will be able to better manage its various

investment projects in the PRC, reduce the foreign exchange risks and enjoy more tax benefits. Another effort by CPR Group is to establish joint ventures in major PRC provinces to help expand its customer base. In that regard, CPR Group has signed letters of intent with LPG specialized companies in Nanjing, Shenzhen, Yangzhou, Huaiyin and Hefei. Among these, the Nanjing joint venture is finalizing the details and is expected to commence operation in the near future. This joint venture is expected to draw a significant number of new customers for CPR Group.

In view of the growing use of high technology, CPR Group plans to expand into electronic commerce ("e-commerce") by capitalizing on its established customer base, retail network and distribution channel. Negotiations are being held with various parties for the development of e-commerce including Business-to-Consumer (B2C) and Business-to-Business (B2B) nature. CPR Group will utilize its distribution channel, distributing system and settlement and delivery system to provide service to other e-commerce operators.

Dapeng Power Plant is expected to continue providing stable cashflow for the Group. While the plant will conduct major overhaul for its second generating unit in 2000, its electricity output should not be affected given that various technological upgrades will be implemented.



At the junction of the new century and the new millennium, with the PRC joining the WTO, the year 2000 points to a promising future with great opportunities. Given that the Group has a strong management team and a diligent and committed workforce, the Directors believe that the Group will be able to grasp the opportunities and provide shareholders with reasonable returns in the coming years.

Ou Yaping
Chairman

Hong Kong, 23 May 2000

DIRECTORS' PROFILE

EXECUTIVE DIRECTORS



Mr. Ou Yaping, aged 38, was appointed as the chairman and managing director of the Company in December 1997. Mr. Ou is the founder and the controlling shareholder of the Group. He holds a Bachelor of Engineering Management degree from the Beijing Institute of Technology, the PRC and is also a part-time lecturer of this Institute. He was employed by a number of trading companies and investment companies in the PRC and Hong Kong and is presently a director of China Merchants Bank of the PRC. Mr. Ou has many years of experience in investing, trading and real estate development. He is presently responsible for the overall planning, management and strategic development of the Group.

Mr. Law Sze Lai, aged 57, was appointed as a director of the Company in December 1997. He is also a director and deputy general manager of Shenzhen Sinolink Enterprises Co., Ltd. He has been employed by a number of real estate companies in the PRC. He qualified as an economist in the PRC and has over 12 years of experience in property development. Mr. Law joined the Group in 1992 and is responsible for the coordination and administration of the real estate business of the Group.



Mr. Chen Wei, aged 38, was appointed as a director of the Company in December 1997. Mr. Chen holds a Bachelor of Engineering Management degree from the Beijing Institute of Technology, the PRC. He has been employed by China North Industries Group Corporation and a number of other large organisations and has over 14 years of experience in the engineering business and administration. Mr. Chen joined the Group in 1992 and is responsible for the operation and administration of the power generation business and LPG business of the Group.



DIRECTORS' PROFILE

NON-EXECUTIVE DIRECTORS

Mr. Liang Xiaoting, aged 49, was appointed as an independent non-executive director of the Company in April 1998. He is a director of Bank of China, Deputy Chief Executive of the BOC Hong Kong-Macau Regional Office, First Deputy General Manager of the BOC Hong Kong Branch, Director of Bank of China International Holdings Ltd., Chairman of BOC Group Insurance Co. Ltd., Chairman of Sun Chung Estate Co. Ltd., and Chairman of Kiu Kwong Investment Corporation Ltd. Mr. Liang is a member of the Hong Kong Monetary Authority Exchange Fund Advisory Committee, Board member of the Hong Kong Airport Authority, member of the Securities and Futures Commission ("SFC") Advisory Committee, SFC Takeovers and Mergers Panel, SFC Takeovers and Appeal Committee, General Committee Member of the Hong Kong General Chamber of Commerce, Standing Committee Member of the Chinese General Chamber of Commerce, Member of the Hong Kong Polytechnic University Council and Finance Committee.



Mr. Cheung Wing Yui, aged 50, was appointed as an independent non-executive director of the Company in September 1999. He received a Bachelor of Commerce degree in accounting from the University of New South Wales, Australia. Mr. Cheung is a certified practising accountant of the Australian Society of Certified Practising Accountants. He has been a practising solicitor in Hong Kong since 1979 and is a partner of the law firm Woo, Kwan, Lee & Lo. He has been admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung is a director of seven other publicly listed companies in Hong Kong. He is also company secretary to another four publicly listed companies in Hong Kong.



Mr. Tsang Yu Chor, Patrick, aged 48, was appointed as an independent non-executive director of the Company in April 1998. He is a senior partner of Tsang, Chan and Wong, Solicitors & Notaries. He is a practising solicitor in Hong Kong and is admitted as a solicitor of England, a solicitor and barrister in Victoria, Australia, a notary public in Hong Kong and an appointed attesting officer of the PRC.



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its subsidiaries and associates are set out in notes 14 and 15 respectively to the financial statements.

During the year, the Group acquired the entire interest in China Pan River Group Ltd. and its subsidiaries (together the "CPR Group") which is principally engaged in the wholesale and retail of liquid petroleum gas ("LPG") for a total consideration of HK\$55,183,000.

SEGMENTAL INFORMATION

The Group's turnover and contribution to profit from operations for the year ended 31 December 1999, analysed by principal activity, were as follows:

	Turnover <i>HK\$'000</i>	Contribution to profit from operations <i>HK\$'000</i>
By principal activity:		
Property development	180,159	84,428
Electricity supply operations	139,584	30,463
LPG operations	412,708	10,780
Others	11,970	9,432
	<u>744,421</u>	<u>135,103</u>
Operating expenses less other income		<u>(75,178)</u>
Profit from operations		<u>59,925</u>

The Group's turnover and profit from operations are substantially derived from the People's Republic of China (the "PRC").

DIRECTORS' REPORT

SUBSIDIARIES AND ASSOCIATES

Details of the Company's subsidiaries and associates at 31 December 1999 are set out in notes 14 and 15 respectively to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 1999 are set out in the consolidated income statement on page 26 of the annual report.

No Interim dividend was paid during the year. The directors do not recommend a final dividend and the profit for the year will be retained.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 26 to the financial statements.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 1999 and of the assets and liabilities of the Group for the as at 31 December 1997, 1998 and 1999 is set out on page 66 of the annual report .

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group and of the Company are set out in note 13 to the financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 31 December 1999 are set out on pages 67 and 68 of the annual report.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 24 to the financial statements.

DIRECTORS' REPORT

USE OF PROCEEDS FROM ISSUE OF NEW SHARES

Pursuant to the prospectus issued by the Company dated 26 May 1998 (the "Prospectus"), the Company made an initial public offering through placing and new issue of 380,000,000 shares to the investing communities in June 1998 and the net proceeds were approximately HK\$412 million.

As disclosed in the 1998 annual report, approximately HK\$252 million had been applied in line with the proposed application as set out in the Prospectus. Details of the application of the remaining amount are set out below:

	<i>HK\$'000</i>
Remaining balance	<u>160,000</u>
Application of funds:	
— construction of Phase II of Sinolink Garden	44,000
Funds retained for:	
— transformation of outdoor power transformer stations and overhead transmission cables into indoor power transformer stations and underground transmission cables at Yinhu	100,000
— additional general working capital of the Group	<u>16,000</u>
	<u>160,000</u>

The funds retained were placed on short term deposits with commercial banks in Hong Kong. The application of proceeds from the initial public offer was in line with the proposed application as set out in the Prospectus.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

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

DIRECTORS' REPORT

BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and other borrowings of the Group are set out in note 23 to the financial statements.

Interest capitalised by the Group during the year in respect of properties under development for sale amounted to HK\$14,905,000.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme of the Group are set out in note 33 to the financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Ou Yaping (*Chairman*)

Mr. Law Sze Lai

Mr. Chen Wei

Independent non-executive directors:

Mr. Liang Xiaoting

Mr. Tsang Yu Chor, Patrick

Mr. Cheung Wing Yui (appointed on 13 September 1999)

Mr. Xu Yang (resigned on 8 June 1999)

In accordance with the Company's Bye-laws, Messrs. Law Sze Lai, Tsang Yu Chor, Patrick and Cheung Wing Yui retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The biographical details of the directors of the Company are set out on pages 12 and 13 of the annual report.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES

(i) Shares

At 31 December 1999, the interests of the directors and their associates in the share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name of director	Number of shares held	
	Personal	Corporate
Mr. Ou Yaping	—	1,006,800,000 (Note 1)

Note:

1. These shares are held by Asia Pacific Promotion Limited, a company incorporated in the British Virgin Islands, which is legally and beneficially owned by Mr. Ou Yaping.

(ii) Shares in a subsidiary

Name of director	Name of subsidiary	Number of non-voting deferred shares held
Mr. Ou Yaping	Sinolink Electric Power Company Limited	90,000

(iii) Interest in an associated corporation (within the meaning of the SDI Ordinance) of the Company

Name of interested party	Name of associated corporation	Nature of interest	Percentage of equity interest in associated corporation
Mr. Ou Yaping and his associates	Shenzhen Xiangdu F. & E. Co., Ltd.	Corporate	55%

Save as disclosed above, none of the directors, or their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARE OPTIONS

The directors had personal interests in share options to subscribe for shares of the Company as follows:

Name of Directors	Exercise period	Date of share options granted	Exercise price HK\$	Number of share options held and outstanding at 31 December 1999
Mr. Law Sze Lai	6 January 1999 to 5 January 2002	29 June 1998	0.60	10,000,000
	6 July 1999 to 5 January 2002	29 June 1998	0.70	10,000,000
	3 September 1999 to 3 September 2002	1 March 1999	0.45	3,000,000
	3 March 2000 to 3 September 2002	1 March 1999	0.45	3,000,000
	3 September 2001 to 3 September 2002	1 March 1999	0.45	2,000,000
Mr. Chen Wei	6 January 1999 to 5 January 2002	29 June 1998	0.60	10,000,000
	6 July 1999 to 5 January 2002	29 June 1998	0.70	10,000,000
	3 September 1999 to 3 September 2002	1 March 1999	0.45	3,000,000
	3 March 2000 to 3 September 2002	1 March 1999	0.45	3,000,000
	3 September 2001 to 3 September 2002	1 March 1999	0.45	2,000,000

None of the directors had exercised any share option to subscribe for shares of the Company during the year ended 31 December 1999.

Details of the share option scheme are set out in note 25 to the financial statements.

Save as disclosed above, as at 31 December 1999, none of the directors and chief executives, nor their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such right during the year and at no time during the year was the Company, or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS", no contracts of significance to which the Company or any related company (holding companies, subsidiaries, or fellow subsidiaries) was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company. Each service contract is for an initial period of three years commencing on 1 April 1998 and will continue thereafter unless and until terminated by either party by giving not less than six months' prior written notice, such notice to expire upon the expiry of the initial period of three years.

Save as disclosed above, none of the directors or service companies under their respective control has entered into or has proposed to enter into any service or management contract with any member of the Group excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

CONNECTED TRANSACTIONS

During the year, the Group has engaged in the following connected transactions (as defined under the Listing Rules):

Pursuant to a licence agreement dated 1 May 1998 entered into between the Company, Sinolink Electric Power Company Limited ("Sinolink Electric Power") and Sinolink Worldwide (HK) Company Limited ("Sinolink Worldwide (HK)"), a wholly owned subsidiary of the Company (the "Licensees") and Sinolink Worldwide Company Limited, a private company incorporated in Hong Kong in which Mr. Ou Yaping has a 35 per cent. shareholding (the "Licensor"), the Licensor grants a licence to the Licensees to use a portion of the office premises at Units 2501 and 2502, 25th Floor, Vicwood Plaza, No. 199 Des Voeux Road Central, Hong Kong (the "Office Premises") for use as the office of the Group, from 1 January 1998 to 12 June 1999 at a licence fee of HK\$117,828 per month. Total licence fee of HK\$590,000 was paid or payable to the Licensor during the year ended 31 December 1999.

Pursuant to an agreement for sharing of services dated 1 May 1998 entered into between the Company and Sinolink Worldwide Company Limited, the parties will share certain overhead expenses of the Office Premises occupied by the licensees pursuant to the licence agreement dated 1 May 1998 mentioned above. A total amount of HK\$55,000 was paid or payable to Sinolink Worldwide Company Limited for the year ended 31 December 1999.

Pursuant to the Fuel Supply Contract dated 12 January 1998 entered into between Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade") and Sinolink Worldwide Company Limited, Sinolink Worldwide Company Limited has agreed to supply diesel fuel to Fuhuade for use at Dapeng Power Plant. Total interest expenses of HK\$1,370,000 was paid or payable to Sinolink Worldwide Company Limited for the year ended 31 December 1999.

DIRECTORS' REPORT

Pursuant to a tenancy agreement dated 12 March 1998 between Sinolink Worldwide (HK) as tenant and Skillful Assets Limited ("Skillful"), a company controlled by Mr. Ou Yaping and of which Mr. Ou Yaping is a director, as landlord, Skillful agreed to let to Sinolink Worldwide (HK) the property known as House 3, Kellett View Town Houses, Nos. 65-69 Mount Kellett Road, Hong Kong for a term of two years commencing on 1 April 1998 at a rent of HK\$100,000 per month exclusive of rates and management fees. Total rental expenses of HK\$1,200,000 were paid or payable to Skillful for the year ended 31 December 1999.

Pursuant to a tenancy agreement dated 1 January 1998 entered into between Shenzhen Sinolink Enterprises Co., Ltd. ("Shenzhen Sinolink"), which is owned as to 80 per cent. by the Group and 20 per cent. by Shenzhen Power Supply Services Corporation ("Shenzhen Power Supply"), a connected person of the Company, as the landlord and Shenzhen Xiangdu F. & E. Co., Ltd. ("Shenzhen Xiangdu"), a sino-foreign equity joint venture in which Shenzhen Sinolink and Superline Limited (a company in which each of Mr. Ou Yaping and his spouse has an attributable interest of 93.5 per cent. and 6.5 per cent. respectively) are interested in 45 per cent. and 55 per cent. respectively of its registered capital, Shenzhen Sinolink allows Shenzhen Xiangdu to use the property situated at No. 2, Taining Road, Luohu District, Shenzhen as a restaurant for a term of five years commencing on 1 January 1998 at a rental of RMB900,000 per quarter payable every three months. The tenancy agreement was terminated on 31 January 1999. A new tenancy agreement dated 1 June 1999 was entered into between Shenzhen Sinolink and Shenzhen Xiangdu to allow Shenzhen Xiangdu to use the same property, from 1 June 1999 to 31 December 2001 at a rental of RMB60,000 per month. Total rental income of RMB720,000 (HK\$673,526) was received or receivable from Shenzhen Xiangdu for the year ended 31 December 1999.

Pursuant to a loan agreement dated 31 March 1998, Mr. Ou Yaping granted to Ocean Diamond Limited, a wholly owned subsidiary of the Company, an unsecured loan in the sum of HK\$76,982,679 at an interest rate equivalent to three months Hong Kong Interbank Offer Rate. Interest is chargeable every three months and repayment of the principal is to be made in one lump sum upon expiration of the term of the loan on or before 31 December 1999. Total interest expenses of HK\$2,816,000 were paid or payable to Mr. Ou Yaping for the year ended 31 December 1999.

Pursuant to an agreement for the provision of services dated 30 December 1998 between Ocean Diamond Limited and Shenzhen Sinolink, Ocean Diamond Limited agreed to provide to Shenzhen Sinolink (i) management staffing services by supplying and sending staff to Shenzhen and (ii) services relating to the design and planning for real estate development, cable engineering consultancy and the import and sourcing of materials. Shenzhen Sinolink shall pay a monthly service fee of RMB150,000 (HK\$140,318) to Ocean Diamond Limited. It is intended that a service agreement with the same terms (subject to adjustment as to service fee) will be entered into between

DIRECTORS' REPORT

Ocean Diamond Limited and Shenzhen Sinolink on a yearly basis. Total service fee of RMB1,800,000 (HK\$1,683,816) was paid or payable to Ocean Diamond Limited for the year ended 31 December 1999.

Pursuant to an agreement for the provision of agency services dated 8 January 1998 between Sinolink Worldwide (HK) and Shenzhen Sinolink, Sinolink Worldwide (HK) shall provide agency services regarding matters including, amongst others, advertising and promotion for overseas sales of property units developed by the Group in the PRC and customer liaison on behalf of Shenzhen Sinolink in return for a monthly service fee of RMB1,100,000 (HK\$1,028,999). It is intended that an agency services agreement with the same terms (subject to adjustment as to service fee) will be entered into annually between Sinolink Worldwide (HK) and Shenzhen Sinolink. Total service fee of RMB13,200,000 (HK\$12,347,988) was paid or payable by Shenzhen Sinolink to Sinolink Worldwide (HK) for the year ended 31 December 1999.

Pursuant to the Power Purchase Contract entered into between Fuhuade and Shenzhen Power Supply Bureau, the regulatory body of Shenzhen Power Supply (the substantial shareholder of Shenzhen Xiehe Power Company Limited which holds a 30 per cent. equity interest in Fuhuade), which came into effect on 15 March 1996, Fuhuade agrees to supply to Shenzhen Power Supply Bureau electricity generated at Dapeng Power Plant, which is operated by Fuhuade, for on-grid onward transmission to public end-users. Total amount of approximately HK\$139,584,000 worth of electricity was sold to Shenzhen Power Supply Bureau for the year ended 31 December 1999.

On 12 February 1999, the Group acquired from Mr. Ou Yaping, the controlling shareholder of the Company, the entire issued share capital of CPR Group (the "Acquisition"). CPR Group is an investment holding company, the major assets of which are its indirect majority equity interests in the joint venture companies established in the PRC, that are principally engaged in the production, transportation, storage, sale and distribution of LPG. The Acquisition had been approved by the shareholders at the special general meeting of the Company on 10 February 1999. Total consideration of HK\$55,183,000 was paid by an issue of convertible note for the Acquisition and an interest expense of HK\$2,412,000 was paid or payable for the year ended 31 December 1999.

The independent non-executive directors of the Company have reviewed the transactions and confirmed that:

- (a) the transactions have been entered into in the ordinary and usual course of business of the Group;

DIRECTORS' REPORT

- (b) the transactions have been entered into on normal commercial terms, and on arm's length basis and, where applicable, in accordance with the terms of the agreements governing such transactions or, where there is no such agreement, on terms no less favourable than terms available to (or from) independent third parties;
- (c) the transactions have been entered into on terms that are fair and reasonable so far as shareholders of the Company are concerned; and
- (d) the aggregate value of the respective transactions do not exceed the respective maximum amounts as specified in the waiver granted by The Stock Exchange of Hong Kong Limited.

With the exception of intragroup transactions, details of these transactions are summarised in note 32 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued share capital of the Company as at 31 December 1999.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's sales and purchases respectively.

YEAR 2000 COMPLIANCE

The Group's Year 2000 compliance programme and progress updates were disclosed in the 1998 annual report and the 1999 interim report. All plans relating to the Year 2000 issue were completed on schedule with all critical systems of the Group being Year 2000 compliant. The performance of these systems, whilst functioning properly, was closely monitored. No business disruption was encountered by the Group before, during and after the turn of the century. The directors believe that the Group's operation will not be significantly affected by the Year 2000 issue. No further significant costs are anticipated.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 1999 with those paragraphs of the Code of Best Practice(the "Code"), as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, except that non-executive directors are not appointed for specific terms and that the guidelines as set out in paragraph 14 of the Code were not complied with prior to the formation of the Audit Committee on 24 August 1999.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws of Bermuda.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Ou Yaping
CHAIRMAN

Hong Kong, 23 May 2000

AUDITORS' REPORT

**Deloitte Touche
Tohmatsu**



Certified Public Accountants
26/F, Wing On Centre
111 Connaught Road Central
Hong Kong

德勤·關黃陳方會計師行
香港中環干諾道中111號
永安中心26樓

TO THE MEMBERS OF SINOLINK WORLDWIDE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 26 to 65 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 23 May 2000

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 1999

	NOTES	1999 HK\$'000	1998 HK\$'000
Turnover	4	744,421	1,010,305
Cost of sales		(615,019)	(492,499)
Gross profit		129,402	517,806
Other revenue	5	33,585	28,443
Distribution costs		(14,175)	(11,524)
Administrative expenses		(87,039)	(67,297)
Other operating expenses		(1,848)	(1,104)
Profit from operations	6	59,925	466,324
Finance costs	8	(10,715)	(14,174)
Share of results of associates		(1,488)	(3,384)
Profit from ordinary activities before taxation		47,722	448,766
Taxation	9	(5,736)	(63,729)
Profit before minority interests		41,986	385,037
Minority interests		(5,980)	(76,227)
Net profit for the year	10	36,006	308,810
Dividends	11	—	(69,920)
Profit for the year, retained		36,006	238,890
		HK\$	HK\$
Earnings per share	12		
Basic		0.024	0.23
Diluted		0.023	N/A

CONSOLIDATED BALANCE SHEET

At 31 December 1999

	NOTES	1999 HK\$'000	1998 HK\$'000
Non-current assets			
Property, plant and equipment	13	339,493	240,261
Interests in associates	15	8,288	8,296
Investments	16	1,124	—
		<u>348,905</u>	<u>248,557</u>
Current assets			
Stock of properties	17	812,647	714,713
Inventories	18	14,452	3,857
Trade and other receivables	19	382,178	446,891
Bank balances and cash		532,461	628,515
		<u>1,741,738</u>	<u>1,793,976</u>
Current liabilities			
Trade and other payables		304,842	221,035
Tax liabilities		38,500	60,154
Amount due to an associate		—	2,776
Amount due to a related company	20	—	3,541
Amounts due to minority shareholders	21	22,797	92,781
Amount due to a director	22	4,713	76,983
Borrowings	23	226,380	201,235
Proposed dividend		—	69,920
		<u>597,232</u>	<u>728,425</u>
Net current assets		<u>1,144,506</u>	<u>1,065,551</u>
Total assets less current liabilities		<u>1,493,411</u>	<u>1,314,108</u>
Non-current liabilities			
Borrowings	23	(55,183)	—
		<u>1,438,228</u>	<u>1,314,108</u>
Minority interests		<u>(260,091)</u>	<u>(170,693)</u>
		<u>1,178,137</u>	<u>1,143,415</u>
Capital and reserves			
Share capital	24	152,000	152,000
Reserves	26	1,026,137	991,415
		<u>1,178,137</u>	<u>1,143,415</u>

The financial statements on pages 26 to 65 were approved by the Board of Directors on 23 May 2000 and are signed on its behalf by:

OU YAPING
Chairman & Managing Director

LAW SZE LAI
Director

BALANCE SHEET

At 31 December 1999

	NOTES	1999 HK\$'000	1998 HK\$'000
Non-current assets			
Property, plant and equipment	13	454	—
Investments in subsidiaries	14	1,078,654	1,155,784
		<u>1,079,108</u>	<u>1,155,784</u>
Current assets			
Trade and other receivables		1,600	479
Bank balances and cash		63,594	10,272
		<u>65,194</u>	<u>10,751</u>
Current liabilities			
Trade and other payables		777	120
Proposed dividend		—	69,920
		<u>777</u>	<u>70,040</u>
Net current assets (liabilities)		<u>64,417</u>	<u>(59,289)</u>
Total assets less current liabilities		<u>1,143,525</u>	<u>1,096,495</u>
Non-current liabilities			
Borrowings	23	(55,183)	—
		<u>1,088,342</u>	<u>1,096,495</u>
Capital and reserves			
Share capital	24	152,000	152,000
Reserves	26	936,342	944,495
		<u>1,088,342</u>	<u>1,096,495</u>

OU YAPING

Chairman & Managing Director

LAW SZE LAI

Director

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 31 December 1999

	1999 HK\$'000	1998 HK\$'000
Exchange differences arising on translation of overseas operations not recognised in the income statement	(193)	—
Net profit for the year	<u>36,006</u>	<u>308,810</u>
Total recognised gains and losses	35,813	308,810
Elimination against reserves of goodwill arising on acquisition of subsidiaries	<u>(1,091)</u>	<u>3,617</u>
	<u><u>34,722</u></u>	<u><u>312,427</u></u>
Effect of changes in accounting policy on adoption of SSAP I — Decrease in retained profits at 1 January 1998		<u><u>HK\$5,369,000</u></u>

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 1999

	NOTES	1999 HK\$'000	1998 HK\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	27	<u>120,732</u>	<u>24,411</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(25,620)	(30,200)
Interest income		31,678	24,930
Dividends paid by subsidiaries to minority shareholders		—	(2,049)
Dividend paid to shareholders		<u>(69,920)</u>	<u>—</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(63,862)</u>	<u>(7,319)</u>
TAXATION			
Overseas tax paid		<u>(28,116)</u>	<u>(33,545)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(82,083)	(29,818)
Proceeds from sale of property, plant and equipment		269	7,778
Purchase of investments		(1,124)	—
Advances to associates		(1,182)	(1,600)
Net inflow of cash in respect of purchase of subsidiaries	29	<u>63,120</u>	<u>—</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(21,000)</u>	<u>(23,640)</u>
NET CASH INFLOW (OUTFLOW) BEFORE FINANCING		<u>7,754</u>	<u>(40,093)</u>

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 1999

	NOTE	1999 HK\$'000	1998 HK\$'000
FINANCING	30		
Issue of new shares		—	437,000
Share issue expenses		—	(25,147)
Net proceeds from subscription monies		—	411,853
Interest income from subscription monies		—	143
New bank loans		39,289	201,235
Repayment of bank and other loans		(14,144)	(266,411)
Drawdown of loan from a director		—	76,983
Repayment of loan to a director		(72,270)	—
Drawdown of loan from minority shareholders		—	28,079
Repayment of loan to minority shareholders		(53,896)	(185,307)
Contribution from minority shareholders of a subsidiary		—	186
(Repayment to) advance from and associates		(2,776)	(32)
NET CASH (OUTFLOW) INFLOW FROM FINANCING		(103,797)	266,729
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(96,043)	226,636
CASH AND CASH EQUIVALENTS AT 1 JANUARY		628,515	401,879
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(11)	—
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		532,461	628,515
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		532,461	628,515

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

1. GENERAL

The Company is incorporated in Bermuda as an exempt company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Asia Pacific Promotion Limited, a limited company incorporated in the British Virgin Islands (the "BVI").

The principal activities of the Group are property development, supply of electricity and wholesaling and retailing of liquid petroleum gas ("LPG").

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Company has adopted, for the first time, the following Statements of Standard Accounting Practice (SSAPs) issued by the Hong Kong Society of Accountants:

SSAP 1 (Revised)	Presentation of financial statements
SSAP 2 (Revised)	Net profit or loss for the period, fundamental errors and changes in accounting policies
SSAP 10 (Revised)	Accounting for investments in associates
SSAP 24	Accounting for investments in securities

SSAPs 1 (Revised) and 2 (Revised) are concerned with the presentation and disclosure of financial information. The presentation in the current year's financial statements has been modified in order to conform with the requirements of those standards. Comparative amounts have been restated in order to achieve a consistent presentation.

In particular:

- additional analyses of income and expenditure have been presented; and
- amounts owing to and by subsidiaries, associates and jointly controlled entities which had previously been presented together with the Company's investments in such enterprises have been reclassified as current and non-current assets and liabilities according to the nature of the transactions giving rise to the balances.

In addition, the description of various components in the financial statements and the terminology used has been updated to reflect the terminology of the new standards.

The revision of SSAP 10 has not resulted in any significant changes to the accounting treatment adopted for associates and accordingly no prior period adjustment has been required. Disclosures presented have been modified to meet the requirements of the new standard.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE *(continued)*

SSAP 24 has introduced a new framework for the classification of investments in securities. In adopting SSAP 24, the Group has selected the benchmark treatment for securities other than held-to-maturity securities.

In prior years, pre-operating expenses were capitalised and amortised, on a straight-line basis, over a period of not more than five years from the date of commencement of commercial operation. The adoption of SSAP I has led to a reassessment of this accounting policy. In particular, pre-operating expenses are not considered to give rise to an identifiable resource from which economic benefits are expected to flow to the Group. Accordingly, such expenditure is now recognised as an expense in the period in which it is incurred.

This change in accounting policy has been applied retrospectively - resulting in a decrease in the Group's net assets and retained profits at 1 January 1998 by HK\$5,369,000 and HK\$5,369,000 respectively; and an increase in the Group's net profit for the year ended 31 December 1998 by HK\$1,378,000. Comparative information has been restated to reflect this change in accounting policy.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain properties.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arising on consolidation, which represents the excess of the purchase consideration over the fair value ascribed to the Group's share of the net assets at the date of acquisition of a subsidiary is written off to reserves immediately on acquisition or, where appropriate, capitalised and amortised on a straight line basis over its useful economic life, not exceeding twenty years. Negative goodwill, which represents the excess of the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary over the purchase consideration, is credited to reserves.

On disposal of a subsidiary, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal of the subsidiary.

Recognition of revenue

Sales of properties/development properties

Income from sales of completed properties is recognised upon the execution of the sale and purchase agreement and income from pre-sales of properties under development is recognised over the course of development on the basis stipulated in "Properties under development" below.

Sales of electricity supply

Revenue from electricity supply operations is recognised when electricity is supplied.

Sales of goods

Sales of goods are recognised when goods are delivered and title has passed.

Income from decoration, interior design and related services

Income from decoration, interior design and related services is recognised using the percentage of completion method, measured by reference to the proportion that costs incurred to date bear to estimated total costs for each contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Income from property management services

Income from property management services is recognised on provision of services.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recognition of revenue *(continued)*

Interest income

Interest income is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable.

Properties under development

Properties under development with pre-sale are included in current assets and stated at cost plus attributable profits taken to date less sale deposits/instalments received and provisions for any foreseeable losses.

Property development cost comprises land cost, development expenditure which includes construction costs, and interest expenses, if any, capitalised during the development period.

When properties are developed for sale, the total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. On this basis, profit on properties pre-sold during an accounting period is recognised by reference to the proportion of construction costs incurred up to the balance sheet date to estimated total construction costs to completion, with an allowance for contingencies. Where purchasers fail to pay the balance of the purchase price on completion, the Group exercises its entitlement to forfeit the pre-sale deposits and to resell the property. In this case, the difference between the pre-sale deposits forfeited and the profit recognised up to the date of forfeiture is credited or charged to the income statement as appropriate. Profit or loss arising from outright sales of an entire development project prior to completion is recognised when the contract is executed.

No depreciation is provided on properties under development.

Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share or registered capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are included in the Company's balance sheet at cost less provision, if necessary, for any permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interests in associates

An associate is an enterprise, over which the Group is in a position to exercise significant influence, including participation in financial and operating policy decisions.

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates.

When the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associates, except where unrealised losses provide evidence of an impairment of the asset transferred.

Investments

Investments, which are held for an identified long-term strategic purpose, are measured at cost, as reduced by an impairment loss that is other than temporary.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the tangible fixed asset, the expenditure is capitalised as an additional cost of the fixed asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

It is the Group's policy to determine the carrying amount of the fixed assets on the historical cost basis. However, for the purpose of obtaining a listing of the Company's shares on the Stock Exchange and in order to comply with the Rules Governing the Listing of Securities on the Stock Exchange, the land and buildings then held by the Group were revalued at 31 March 1998 and are stated in the financial statements at such valuation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

The surplus that arose on revaluation of land and buildings was credited to the revaluation reserve. Any future decrease in net carrying amount arising on revaluation of an asset will be charged to the income statement to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset.

Depreciation is provided to write off the cost or valuation of items of property, plant and equipment over their estimated useful lives on a straight line basis, after taking into consideration their estimated residual values. The principal annual rates used are as follows:

Leasehold land	Over the unexpired term of lease or over the term of equity joint venture contract, whichever is shorter
Buildings	5 per cent. to 10 per cent.
Plant and machinery	10 per cent. to 30 per cent.
Furniture, fixtures and equipment	20 per cent. to 40 per cent.
Motor vehicles	10 per cent. to 30 per cent.

Construction in progress

Construction in progress, which includes all development expenditure and other direct costs, including interest expenses attributable to such projects, is stated at cost. Costs on completed construction works are transferred to property, plant and equipment.

Foreign currencies

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on the translation of foreign currency borrowings used to finance net investments in overseas operations/subsidiaries are taken directly to reserves. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation the financial statements of subsidiaries/associates which are denominated in currencies other than Hong Kong dollar and which operate in the PRC and overseas are translated at the rates ruling on the balance sheet date. All exchange differences arising on consolidation are dealt with in reserves.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Properties held for resale

Stock of unsold properties are classified under current assets and stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total land and development cost attributable to the unsold properties. Net realisable value is the estimated price at which a property can be realised in the ordinary course of business less related selling expenses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Decoration work in progress comprises direct material and labour cost plus attributable profits taken to date less deposits received and provisions for any foreseeable losses.

Convertible note

Convertible note is regarded as a liability until conversion occurs and the finance costs are calculated on the assumption that the notes will never be converted. Finance costs, including any premium payable upon the final redemption of the note, is allocated to periods over the term of the note at a constant rate on the carrying amount. The carrying amount of the note is increased by the finance costs in respect of each reporting period and reduced by payments made in respect of the debt in that period.

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases. Rentals receivable or payable in respect of operating leases are credited or charged respectively to the income statement on a straight line basis over the terms of the respective leases.

Retirement benefits scheme

The retirement benefits scheme contributions charged in the income statement represent the contributions payable in respect of the current year to the Group's defined contribution scheme.

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable a liability or asset will crystallise in the foreseeable future.

Cash equivalents

Cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

4. TURNOVER

An analysis of the Group's turnover during the year is as follows:

	1999 HK\$'000	1998 HK\$'000
Sales of completed properties/development properties	180,159	875,253
Revenue from electricity supply operations	139,584	121,348
Revenue from LPG business	412,708	—
Others (<i>Note</i>)	11,970	13,704
	<u>744,421</u>	<u>1,010,305</u>

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

5. OTHER REVENUE

	1999 HK\$'000	1998 HK\$'000
Interest on bank deposits	31,678	25,073
Rental income under operating leases	1,907	3,370
	<u>33,585</u>	<u>28,443</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

6. PROFIT FROM OPERATIONS

	1999 HK\$'000	1998 HK\$'000
Profit from operations is arrived at after charging:		
Auditors' remuneration	1,168	704
Depreciation	35,236	22,962
Net exchange loss	554	27
Operating lease rentals	3,071	2,319
Deficit on revaluation of property	—	98
Loss on disposal of property, plant and equipment	4,373	371
Staff costs	24,416	16,339
and after crediting:		
Interest income	<u>31,678</u>	<u>25,073</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

7. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Details of the emoluments paid by the Group to the directors are as follows:

	1999 HK\$'000	1998 HK\$'000
Fees	300	—
Salaries and other emoluments	5,521	4,076
Contributions to retirement benefits scheme	116	105
Discretionary bonuses	2,100	—
Compensation for loss of office	—	—
Inducement for joining the Group	—	—
Waiver of emoluments paid	—	—
	<u>8,037</u>	<u>4,181</u>

The amounts disclosed above include directors' fees of HK\$300,000 (1998: Nil) and other emoluments of HK\$Nil (1998: Nil) payable to independent non-executive directors.

The emoluments of the directors were within the following bands:

	Number of individuals	
Emolument band	1999	1998
HK\$Nil - HK\$1,000,000	4	3
HK\$1,000,001 - HK\$1,500,000	—	2
HK\$1,500,001 - HK\$2,000,000	1	—
HK\$2,000,001 - HK\$2,500,000	1	1
HK\$4,000,001 - HK\$4,500,000	<u>1</u>	<u>—</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

7. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Of the five individuals with the highest emoluments in the Group, three (1998: three) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining two (1998: two) individuals were as follows:

	1999 HK\$'000	1998 HK\$'000
Salaries and allowances	945	1,441
Contributions to retirement benefits scheme	51	40
Discretionary bonuses	—	—
Compensation for loss of office	—	—
Inducement for joining the Group	—	—
Waiver of emoluments paid	—	—
	<u>996</u>	<u>1,481</u>

Their emoluments were within the following bands:

	Number of individuals	
	1999	1998
Emolument band		
HK\$Nil - HK\$1,000,000	<u>2</u>	<u>2</u>

8. FINANCE COSTS

	1999 HK\$	1998 HK\$
Interest expenses on bank and other loans wholly repayable within 5 years	25,620	25,190
Less: Amount capitalised to properties under development for sales	(14,905)	(11,016)
	<u>10,715</u>	<u>14,174</u>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7% to expenditure on qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

9. TAXATION

The tax charge comprises:

Profit for the year

Other regions in the People's Republic
of China ("PRC")

1999 HK\$'000	1998 HK\$'000
5,736	63,729

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 its 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.

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.

10. NET PROFIT FOR THE YEAR

Of the Group's net profit for the year of HK\$36,006,000 (1998: HK\$308,810,000), a loss of HK\$8,153,000 (1998: a profit of HK\$148,389,000) has been dealt with in the financial statements of the Company.

11. DIVIDENDS

Final, proposed - Nil (1998: HK\$0.046 per share)

1999 HK\$'000	1998 HK\$'000
—	69,920

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

12. EARNINGS PER SHARE

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

	1999 HK\$'000	1998 HK\$'000
Earnings for the purposes of basic earnings per share	36,006	<u>308,810</u>
Effect of dilutive potential shares: Interest on convertible note	<u>2,412</u>	
Earnings for the purposes of diluted earnings per share	<u>38,418</u>	
Weighted average number of shares for the purposes of basic earnings per share	1,520,000,000	<u>1,355,507,000</u>
Effect of dilutive potential shares: Convertible note	<u>122,629,000</u>	
Weighted average number of shares for the purposes of diluted earnings per share	<u>1,642,629,000</u>	

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 1998 and 1999.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

13. PROPERTY, PLANT AND EQUIPMENT

	Medium term leasehold land and buildings in the PRC HK\$'000	Construction in progress HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
THE GROUP						
COST OR VALUATION						
At 1 January 1999	141,516	—	127,793	6,092	12,864	288,265
Exchange adjustment	(88)	—	(104)	(6)	(13)	(211)
Acquired on acquisition of subsidiaries	9,941	1,467	37,855	2,807	8,894	60,964
Additions	11,933	8,734	36,893	19,771	4,752	82,083
Disposals	—	—	(4,263)	(197)	(968)	(5,428)
Transfer from construction in progress	1,366	(6,388)	4,606	416	—	—
At 31 December 1999	164,668	3,813	202,780	28,883	25,529	425,673
Comprising:						
At cost	51,837	3,813	202,780	28,883	25,529	312,842
At valuation 1998	112,831	—	—	—	—	112,831
	164,668	3,813	202,780	28,883	25,529	425,673
DEPRECIATION						
At 1 January 1999	17,354	—	22,083	2,251	6,316	48,004
Exchange adjustment	(10)	—	(14)	(1)	(4)	(29)
Acquired on acquisition of subsidiaries	531	—	2,001	31	1,192	3,755
Provided for the year	9,019	—	17,340	4,886	3,991	35,236
Eliminated on disposals	—	—	(352)	(139)	(295)	(786)
At 31 December 1999	26,894	—	41,058	7,028	11,200	86,180
NET BOOK VALUES						
At 31 December 1999	137,774	3,813	161,722	21,855	14,329	339,493
At 31 December 1998	124,162	—	105,710	3,841	6,548	240,261

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The net book value of land and buildings includes an amount of approximately HK\$10,865,000 (1998: HK\$11,890,595) in respect of assets rented out under operating leases.

	Furniture, fixtures and equipment HK\$'000
THE COMPANY	
COST	
Additions and at 31 December 1999	591
DEPRECIATION	
Provided for the year and at 31 December 1999	(137)
NET BOOK VALUES	
At 31 December 1999	454
At 31 December 1998	—

14. INVESTMENTS IN SUBSIDIARIES

	1999 HK\$'000	1998 HK\$'000
Unlisted shares, at cost	661,257	606,073
Amounts due from subsidiaries	417,397	549,711
	<u>1,078,654</u>	<u>1,155,784</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

14. INVESTMENTS IN SUBSIDIARIES (continued)

The amounts due from subsidiaries are interest-free, unsecured and have no fixed term of repayment.

Particulars of the subsidiaries as at 31 December 1999 are as follows:

Name of company	Place of incorporation/ establishment and operation	Issued and fully paid up share capital/ registered capital	Percentage of equity interest attributable to the Group	Principal activities
Chenzhou Pan River Gas Industry Co. Ltd.	PRC	RMB9,000,000	55	Wholesaling and retailing of LPG
China Overlink Holdings Co. Ltd.	BVI	1 share of US\$1 each	100	Investment holding
China Pan River Group Ltd.	BVI	1 share of US\$1 each	100	Investment holding
Link Capital Investments Limited	BVI	50,000 shares of US\$1 each	100	Investment holding
New Silver Development Limited	BVI	1 share of US\$1 each	100	Investment holding
Ocean Diamond Limited	BVI	50,000 shares of US\$1 each	100	Investment holding
Pan River Enterprises (Changde) Co. Ltd.	PRC	RMB6,000,000	85	Wholesaling and retailing of LPG
Pan River Enterprises (Chang-sha) Co. Ltd.	PRC	RMB40,000,000	60	Wholesaling and retailing of LPG
Pan River Enterprises (Hengyang) Co. Ltd.	PRC	RMB6,000,000	84	Wholesaling and retailing of LPG
Pan River Enterprises (Wuhu) Co. Ltd.	PRC	RMB32,000,000	55	Wholesaling and retailing of LPG
Pan River Gas (Guizhou) Co. Ltd.	PRC	RMB16,000,000	50.10	Wholesaling and retailing of LPG
Shenzhen China Overseas-Sinolink Property Management Co., Ltd.	PRC	RMB1,500,000	45	Property management
Shenzhen Fuhuade Electric Power Co., Ltd.	PRC	RMB100,000,000	70	Electricity supply
Shenzhen Sinolink Enterprises Co., Ltd.	PRC	RMB375,000,000	80	Property development

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

14. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation/ establishment and operation	Issued and fully paid up share capital/ registered capital	Percentage of equity interest attributable to the Group	Principal activities
Shenzhen Sinolink Property Management Co., Ltd.	PRC	RMB2,000,000	75	Property management
Shenzhen Weikong Decorate Engineering Co., Ltd.	PRC	RMB5,000,000	88.4	Decoration, interior design and related services
Singkong Investment Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	100	Investment holding
Sinolink Electric Power Company Limited	Hong Kong	2 ordinary shares of HK\$1 each 100,000 non-voting deferred shares of HK\$1 each	100 —	Investment holding
Sinolink Industrial Limited	BVI	50,001 shares of US\$1 each	100	Investment holding
Sinolink International Investment (Group) Limited	BVI	1 share of US\$1 each	100	Investment holding
Sinolink LPG Development Ltd.	BVI	1 share of US\$1 each	100	Investment holding
Sinolink LPG Investment Ltd.	BVI	1 share of US\$1 each	100	Investment holding
Sinolink Petrochemical Investment Ltd.	BVI	1 share of US\$1 each	100	Investment holding
Sinolink Power Investment Ltd.	BVI	1 share of US\$1 each	100	Investment holding
Sinolink Progressive Limited	BVI	47,207 shares of US\$1 each	100	Investment holding
Sinolink Properties Agent Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	100	Property agent
Sinolink Worldwide (HK) Company Limited	Hong Kong	10,000,000 ordinary shares of HK\$1 each	100	Investment holding
Wuhu Pan River Enterprises Jiang Bei Co. Ltd.	PRC	RMB500,000	28.05	Wholesaling and retailing of LPG
Wuhu Pan River Nanning LPG Co. Ltd.	PRC	RMB2,000,000	30.25	Wholesaling and retailing of LPG

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

14. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation/ establishment and operation	Issued and fully paid up share capital/ registered capital	Percentage of equity interest attributable to the Group	Principal activities
Wuhu Pan River Sanpeng LPG Co. Ltd.	PRC	RMB2,300,000	30.25	Wholesaling and retailing of LPG
Xiangtan Pan River Energy Industry Co. Ltd.	PRC	RMB10,000,000	55	Wholesaling and retailing of LPG
Yongzhou Pan River Enterprises Co. Ltd.	PRC	RMB5,000,000	60	Wholesaling and retailing of LPG
Yiyang Pan River Enterprises Co. Ltd.	PRC	RMB5,000,000	60	Wholesaling and retailing of LPG
YPC & Panva Energy Co. Ltd.	PRC	RMB59,997,519	50	Wholesaling and retailing of LPG

15. INTERESTS IN ASSOCIATES

	THE GROUP	
	1999	1998
	HK\$'000	HK\$'000
Share of net (liabilities) assets	(390)	800
Amounts due from associates	8,678	7,496
	<u>8,288</u>	<u>8,296</u>

The amounts due from associates are interest free and unsecured.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

15. INTERESTS IN ASSOCIATES (continued)

As at 31 December 1999, the Group had interests in the following associates:

Name of company	Place of incorporation/ establishment	Issued and fully paid up registered capital	Percentage of equity interest attributable to the Group	Principal activities
Shenzhen Xiangdu F. & E. Co., Ltd.	PRC	RMB4,000,000	36	Restaurant operation
Shenzhen Everlink Cable Engineering Consulting Co., Ltd.	PRC	RMB3,000,000	21	Cable work consulting service
Shenzhen Sino-Trust Investment Co., Ltd.	PRC	RMB10,000,000	24	Investment

16. INVESTMENTS

	THE GROUP	
	1999 HK\$'000	1998 HK\$'000
Unlisted equity investments at cost	<u>1,124</u>	<u>—</u>

17. STOCK OF PROPERTIES

	THE GROUP	
	1999 HK\$'000	1998 HK\$'000
Properties under development for sale		
Cost plus attributable profit less foreseeable losses	632,545	590,720
Less: Sale deposits/instalments received	<u>5,924</u>	<u>24,713</u>
	626,621	566,007
Stock of unsold properties	<u>186,026</u>	<u>148,706</u>
	<u>812,647</u>	<u>714,713</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

18. INVENTORIES

	THE GROUP	
	1999 HK\$'000	1998 HK\$'000
At cost:		
LPG	8,681	—
Diesel fuel	2,266	1,918
Consumables	3,505	1,939
	<u>14,452</u>	<u>3,857</u>

19. TRADE AND OTHER RECEIVABLES

As at 31 December 1999, included in trade and other receivables is an amount of HK\$68,989,710 representing outstanding proceeds from the disposal of a development project in 1998. During the year, the Group entered into negotiations with the purchaser with a view to recover these accounts receivable as part of which, in October 1999, it entered into an arrangement to purchase the development project. Between October 1999 and December 1999, additional costs of HK\$9,387,900 were incurred in respect of the project. This arrangement was put aside subsequent to the year end, and the purchaser committed to a revised repayment schedule. As at the date of these financial statements, HK\$37,418,150 had been received in accordance with the revised repayment schedule and the final settlement of HK\$40,959,530 is scheduled for payment before 30 June 2000.

Also included in trade and other receivables as at 31 December 1999 is an amount of HK\$144,583,700 representing outstanding proceeds from the disposal of a development project in 1998. According to the repayment schedule, this amount is only receivable upon obtaining the construction permits of the development project. As at the date of these financial statements, no construction permits had yet been obtained.

20. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company represents trade amount payable to Sinolink Worldwide Company Limited, a company in which Mr. Ou Yaping is a director and shareholder.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

21. AMOUNTS DUE TO MINORITY SHAREHOLDERS

	THE GROUP	
	1999 HK\$'000	1998 HK\$'000
Interest-bearing portion	7,480	28,079
Interest-free portion	<u>15,317</u>	<u>64,702</u>
	<u>22,797</u>	<u>92,781</u>

These balances are unsecured and have no fixed terms of repayment. The interest-bearing portion bears interest equivalent to the prevailing bank rate.

22. AMOUNT DUE TO A DIRECTOR

The balance represents a current account with the director, Mr. Ou Yaping which is unsecured and bears interest at an interest rate equivalent to three months Hong Kong Interbank Offer Rate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

23. BORROWINGS

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loans (secured)	226,380	201,235	—	—
Convertible note	55,183	—	55,183	—
	<u>281,563</u>	<u>201,235</u>	<u>55,183</u>	<u>—</u>
The maturity of the above loans is as follows:				
On demand or within one year	226,380	201,350	—	—
More than two years but not exceeding five years	55,183	—	55,183	—
	<u>281,563</u>	<u>201,235</u>	<u>55,183</u>	<u>—</u>
Less: Amount due within one year shown under current liabilities	(226,380)	(201,235)	—	—
Non-current portion	<u>55,183</u>	<u>—</u>	<u>55,183</u>	<u>—</u>

The convertible note was issued on 12 February 1999. The note is convertible into shares of the Company from the date of issuance upto the third anniversary of the date of issuance. The outstanding unconverted principal amount of the note will be redeemed on 11 February 2002 at par. Interest of 5% is paid quarterly.

24. SHARE CAPITAL

	1999 HK\$'000	1998 HK\$'000
Shares of HK\$0.10 each		
Authorised:		
2,000,000,000 shares of HK\$0.10 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
1,520,000,000 shares of HK\$0.10 each	<u>152,000</u>	<u>152,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

25. SHARE OPTION SCHEME

The share option scheme of the Company provides that the directors of the Company may offer to any executive directors and full-time employees of the Group options to subscribe for shares of the Company in accordance with the terms of the share option scheme.

No options were exercised during the year. Share options granted and cancelled during the year and outstanding at 31 December 1999 were as follows:

Date of share options granted	Exercise price HK\$	No. of share options at 1 January 1999	No. of share options granted during the year	No. of share options cancelled during the year	No. of share options at 31 December 1999
29 June 1998	0.60	20,000,000	—	—	20,000,000
29 June 1998	0.70	20,000,000	—	—	20,000,000
1 March 1999	0.45	—	23,450,000	300,000	23,150,000
		<u>40,000,000</u>	<u>23,450,000</u>	<u>300,000</u>	<u>63,150,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

26. RESERVES

	Share premium account HK\$'000	Translation reserve HK\$'000	Goodwill reserve HK\$'000	General reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE GROUP							
At 1 January 1998							
— as originally stated	—	(5,570)	(8,511)	16,196	—	90,047	92,162
— prior period adjustment on change of accounting policy	—	—	—	—	—	(5,369)	(5,369)
— as restated	—	(5,570)	(8,511)	16,196	—	84,678	86,793
Arising on reorganisation	—	—	—	—	368,262	—	368,262
Capital reserve on consolidation	—	—	3,617	—	—	—	3,617
Shares issued at premium	399,000	—	—	—	—	—	399,000
Share issue expenses	(25,147)	—	—	—	—	—	(25,147)
Capitalisation issue of 800,000,000 shares	(80,000)	—	—	—	—	—	(80,000)
Profit for the year	—	—	—	—	—	308,810	308,810
Transfer from retained profits	—	—	—	30,093	—	(30,093)	—
Dividends	—	—	—	—	—	(69,920)	(69,920)
At 31 December 1998	293,853	(5,570)	(4,894)	46,289	368,262	293,475	991,415
Exchange rate adjustment	—	(193)	—	—	—	—	(193)
Goodwill arising on acquisition of subsidiaries	—	—	(1,091)	—	—	—	(1,091)
Profit for the year	—	—	—	—	—	36,006	36,006
At 31 December 1999	<u>293,853</u>	<u>(5,763)</u>	<u>(5,985)</u>	<u>46,289</u>	<u>368,262</u>	<u>329,481</u>	<u>1,026,137</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

26. RESERVES (continued)

	Share premium account <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE COMPANY				
At beginning of period	—	—	—	—
Arising on reorganisation	—	572,173	—	572,173
Shares issued at premium	399,000	—	—	399,000
Share issue expenses	(25,147)	—	—	(25,147)
Capitalization issue of 800,000,000 shares	(80,000)	—	—	(80,000)
Profit for the year	—	—	148,389	148,389
Dividends	—	—	(69,920)	(69,920)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	293,853	572,173	78,469	944,495
Loss for the year	—	—	(8,153)	(8,153)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	<u>293,853</u>	<u>572,173</u>	<u>70,316</u>	<u>936,342</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

26. RESERVES (continued)

Included in the above are the following Group's share of post-acquisition reserves of the associates:

	Accumulated loss HK\$'000
At 1 January 1999	(2,707)
Loss for the year	(1,189)
	<hr/>
At 31 December 1999	<u>(3,896)</u>

The contributed surplus of the Company represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1998.

The contributed surplus of the Group represents the differences between the consolidated shareholders' funds of the subsidiaries at the date at which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1998.

General reserve represents Enterprise Expansion Fund and General Reserve Fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the PRC, which are not available for distribution.

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, the Company's reserves available for distribution to shareholders were as follows:

	1999 HK\$'000	1998 HK\$'000
Contributed surplus	572,173	572,173
Retained profits	70,316	78,469
	<hr/>	<hr/>
	<u>642,489</u>	<u>650,642</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

27. RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 HK\$'000	1998 HK\$'000
Profit from ordinary activities before taxation	47,722	448,766
Share of loss of associates	1,488	3,384
Interest income	(31,678)	(25,073)
Interest expense	10,715	14,174
Deficit on revaluation of property	—	98
Depreciation	35,236	22,962
Loss on disposal of property, plant and equipment	4,373	371
Movements in assets/liabilities held for operating activities:		
Increase in properties held for sale	(83,029)	(15,491)
(Increase) decrease in inventories	(7,987)	28,645
Decrease (increase) in trade and other receivables	100,691	(354,312)
Decrease in amount due from a related company	—	254
Decrease in amount due to a related company	(3,541)	(16,878)
Increase (decrease) in trade and other payables	46,742	(82,489)
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES	<u>120,732</u>	<u>24,411</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

28. PURCHASE OF SUBSIDIARIES

	1999 HK\$'000
NET ASSETS ACQUIRED	
Property, plant and equipment	57,209
Inventories	2,608
Trade and other receivables	36,276
Amounts due from minority shareholders	16,088
Bank balances and cash	64,172
Taxation	(726)
Trade and other payables	(37,065)
Minority interests	(83,418)
	<hr/>
	55,144
Goodwill	1,091
	<hr/>
	56,235
	<hr/>
SATISFIED BY	
Issue of convertible note	55,183
Cash	1,052
	<hr/>
	56,235
	<hr/>

29. ANALYSIS OF THE NET INFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARIES

	1999 HK\$'000
Cash consideration	(1,052)
Bank balances and cash acquired	64,172
	<hr/>
Net inflow of cash and cash equivalents in respect of the purchase of subsidiaries	63,120
	<hr/>

The subsidiaries acquired during the year contributed HK\$371,871,000 to the Group's turnover, and HK\$9,973,000 to the Group's profit from operations.

The cash flows utilised by the subsidiaries acquired during the year were not significant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

30. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital and share premium HK\$'000	Bank loans HK\$'000	Amount due to a director HK\$'000	Amounts due to an associate HK\$'000	Amounts due to minority shareholders HK\$'000	Minority interests HK\$'000
Balance at 1 January 1998						
— as original stated	—	266,411	400,904	2,808	232,099	120,156
— prior period adjustment on change of accounting policy	—	—	—	—	—	(2,300)
Balance at 1 January 1998	—	266,411	400,904	2,808	232,099	117,856
Net cash inflow (outflow) from financing	411,853	(65,176)	76,983	(32)	(157,228)	—
Contributions from minority shareholders	—	—	—	—	—	186
Dividend paid to minority shareholders	—	—	—	—	—	(2,049)
Other movements not involving cash flows:						
Shares issued in consideration for the acquisition of the issued share capital of Sinolink Progressive Limited	33,900	—	—	—	—	—
Capitalisation of reserve to pay up in full 1,000,000 nil-paid shares	100	—	—	—	—	—
Capitalisation of a director's loan	—	—	(400,904)	—	—	—
Minority share of profit for the year	—	—	—	—	—	76,227
Net effect on the increase in shareholding of existing subsidiary companies	—	—	—	—	—	(3,617)
Dividend payable to minority shareholders	—	—	—	—	17,910	(17,910)
Balance at 31 December 1998	445,853	201,235	76,983	2,776	92,781	170,693
Net cash inflow (outflow) from financing	—	25,145	(72,270)	(2,776)	(53,896)	—
Effect on acquisition of subsidiaries	—	—	—	—	(16,088)	83,418
Minority share of profit for the year	—	—	—	—	—	5,980
Balance at 31 December 1999	<u>445,853</u>	<u>226,380</u>	<u>4,713</u>	<u>—</u>	<u>22,797</u>	<u>260,091</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

31. MAJOR NON-CASH TRANSACTION

During the year, convertible note worth HK\$55,183,000 was issued by the Company to Mr. Ou Yaping for the purchase of the entire interest in the China Pan River Group.

32. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions carried out during the year:

	1999 HK\$'000	1998 HK\$'000
Sinolink Worldwide Company Limited (<i>Notes 1 & 2</i>)		
— Purchase of diesel fuel thereto	—	27,601
— Interest paid thereto	1,370	—
— Licence fee paid thereto	590	1,416
— Sharing of overheads paid thereto	55	120
Shenzhen Power Supply Bureau (<i>Note 2</i>)		
— Installation cost for work performed on underground electricity cables at Sinolink Garden paid	—	2,799
— Sales of electricity thereto	139,584	121,348
Shenzhen Power Supply Services Corporation		
— Interest paid thereto	—	1,199
Skillful Assets Limited (<i>Notes 2 & 3</i>)		
— Rental paid thereto	1,200	900
Shenzhen Xiehe Power Co., Limited (<i>Note 4</i>)		
— Interest paid thereto	3,012	2,079
Mr. Ou Yaping (<i>Note 2</i>)		
— Interest paid thereto	2,816	4,646
— Convertible note interest paid thereto	2,412	—
Shenzhen Xiangdu F. & E. Co., Ltd. (<i>Note 2</i>)		
— Rental received therefrom	674	3,370
Mr. Law Sze Lai		
— Sales of units of Sinolink Garden thereto	—	4,808
Related parties of Mr. Ou Yaping		
— Sales of units of Sinolink Garden thereto	—	9,458

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

32. RELATED PARTY TRANSACTIONS (continued)

Notes:

1. Mr. Ou Yaping, a director and shareholder of the Company, has a direct beneficial interest in this company.
2. Transactions with these related parties are regarded as connected transactions as set out in Chapter 14 of the Listing Rules of the Stock Exchange. The terms of these transactions are as stated in the section headed "Connected Transactions" in the directors' report.
3. A company controlled by Mr. Ou Yaping and of which Mr. Ou Yaping is a director
4. The terms and amounts due to related parties are shown in notes 20 to 22.

33. RETIREMENT BENEFITS SCHEME

The Group provides provident fund scheme for its Hong Kong employees and the scheme is funded by contributions from employers and employees. The amount of the Group's contributions is based on a specified percentage of the basic salary of the employees concerned. Forfeited contributions in respect of unvested benefits of employees leaving the scheme prior to benefits being vested are used to reduce the Group's ongoing contributions.

Moreover, pursuant to the relevant PRC regulations, relevant subsidiaries are required to contribute amounts ranging from approximately 7 to 15 per cent. of the aggregate staff wages to certain defined contribution retirement benefits schemes for the Group's employees in the PRC.

Details of the contributions made by the Group during the year are as follows:

	1999 HK\$'000	1998 HK\$'000
Group contribution to staff provident fund	518	354
Forfeited contribution utilised	(106)	—
Net contributions charged to operating profit	<u>412</u>	<u>354</u>
Un-utilised forfeited contributions	<u>—</u>	<u>—</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

34. CONTINGENT LIABILITIES

	THE GROUP	
	1999	1998
	HK\$'000	HK\$'000
Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties	<u>552,215</u>	<u>513,111</u>

On 17 May 1996, a legal claim in the amount of approximately HK\$13,585,000 was brought against Sinolink Worldwide (HK) Company Limited by a third party for charter hire charges overdue. After consultation with the legal adviser in relation to this litigation, the Directors believe that the claim will not have any material adverse effect on the financial position of the Group. No provision for loss has therefore been made by the Group in respect of the outstanding claim. Mr. Ou Yaping, the controlling shareholder of the Company, has agreed to indemnify the Group in connection with any amount payable and all expenses incurred (including legal costs) by Sinolink Worldwide (HK) Company Limited arising from or in connection with this claim in the event that Sinolink Worldwide (HK) Company Limited is unsuccessful in defending the claim.

35. COMMITMENTS

	THE GROUP	
	1999	1998
	HK\$'000	HK\$'000
Commitments in respect of properties under development:		
— authorised but not contracted for	1,107,041	1,247,015
— contracted but not provided for	<u>17,500</u>	<u>66,627</u>
	<u>1,124,541</u>	<u>1,313,642</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

36. LEASE COMMITMENTS

At the balance sheet date, the Group and the Company had the following outstanding annual commitments in respect of land and buildings under non-cancellable operating leases:

	1999 HK\$'000	1998 HK\$'000
THE GROUP		
Leases which expire:		
— within one year	1,447	578
— in the second to fifth years inclusive	2,267	2,195
— over five years	624	897
	<u>4,338</u>	<u>3,670</u>
THE COMPANY		
Leases which expire:		
— in the second to fifth years inclusive	<u>1,500</u>	<u>—</u>

37. PLEDGE OF ASSETS

The Group has pledged its land held under medium term leases included in the properties under development for sale, having a net book value of approximately HK\$237,204,000 (1998: HK\$276,912,000), to secure general banking facilities granted to a subsidiary of the Company.

FINANCIAL SUMMARY

	For the year ended 31 December				
	1995 HK\$'000	1996 HK\$'000	1997 HK\$'000	1998 HK\$'000	1999 HK\$'000
RESULTS					
Turnover	<u>19,834</u>	<u>283,267</u>	<u>612,517</u>	<u>1,010,305</u>	<u>744,421</u>
Profit from ordinary activities before taxation	(4,213)	60,074	185,451	448,766	47,722
Taxation	<u>(209)</u>	<u>(11,271)</u>	<u>(23,092)</u>	<u>(63,729)</u>	<u>(5,736)</u>
Profit from ordinary activities before minority interests	(4,422)	48,803	162,359	385,037	41,986
Minority interests	<u>569</u>	<u>(15,240)</u>	<u>(50,234)</u>	<u>(76,227)</u>	<u>(5,980)</u>
(Loss) profit for the year	<u>(3,853)</u>	<u>33,563</u>	<u>112,125</u>	<u>308,810</u>	<u>36,006</u>
ASSETS AND LIABILITIES					
Total assets			1,349,200	2,042,533	2,090,643
Total liabilities			(1,143,293)	(728,425)	(652,415)
Minority interests			<u>(117,855)</u>	<u>(170,693)</u>	<u>(260,091)</u>
Shareholders' funds			<u>88,052</u>	<u>1,143,415</u>	<u>1,178,137</u>

Notes:

1. The results for the four years ended 31 December 1998 have been prepared on a combined basis to indicate the results of the Group as if the Group structure, at the time when the Company's shares were listed on the Stock Exchange, had been in existence throughout the years concerned. The figures for the three years ended 31 December 1997 have been extracted from the Company's Prospectus dated 26 May 1998.
2. The results for the year ended 31 December 1999 have been extracted from the audited consolidated income statement as set out on page 26 of the financial statements.
3. Comparative figures have been adjusted to reflect the change in accounting policy for the adoption of SSAP I as described in note 2 to the financial statements.

PARTICULARS OF MAJOR PROPERTIES

As at 31 December 1999

PROPERTIES HELD FOR DEVELOPMENT/SALE

	Description	Type of use	GFA (M2)	Effective % held	Stage of completion	Anticipated completion
1.	Certain residential units at District B of Sinolink Garden Phase I & Southern District of Sinolink Garden Phase II Luohu District, Shenzhen, Guangdong Province	Residential	21,658	80%	Completed in 1998	
2.	Car Park at Club House, Sinolink Garden Phase I Taining Road, Luohu District Shenzhen, Guangdong Province	Car Park	184 units	80%	Completed in 1998	
3.	Commercial/office composite Building, District B of Sinolink Garden Phase I, Dongxiao Road, Luohu District, Shenzhen, Guangdong Province	Commercial	3,416	80%	Completion in 1998	
4.	Certain residential units at Southern District of Sinolink Garden Phase II, Buxin Road, Luohu District, Shenzhen, Guangdong Province	Residential	13,681	80%	Completed in 1999	
5.	Northern District of Sinolink Garden Phase II, Buxin Road, Luohu District, Shenzhen, Guangdong Province	Residential	23,521	80%	Decoration work in progress	Late 2000
6.	District B of Sinolink Garden Phase I, Dongxiao Road, Luohu District, Shenzhen, Guangdong Province	Residential	17,537 Site Area 5,077	80%	Development plans being reviewed	2001
7.	Sinolink Garden Phase IV Taining Road, Luohu District, Shenzhen, Guangdong Province	Residential and commercial	423,382 Site Area 94,176	80%		In phase between 2001-2003

PARTICULARS OF MAJOR PROPERTIES

As at 31 December 1999

PROPERTIES OCCUPIED BY THE GROUP

	Description	Type of Use	GFA (M2)	Lease expiry	Effective % held
1.	District B, Sinolink Garden, Phase I, Dongxiao Road, Luohu District Shenzhen, Guangdong Province	Office	2,000	2067	80%
2.	Block No. 6, Pengcheng Garden, Donghu Road, Luohu District, Shenzhen, Guangdong province	Residential	1,042	2067	80%
3.	Sinolink Garden Phase IV Taining Road, Luohu District, Shenzhen, Guangdong Province	Commercial	1,480	2067	80%
4.	Club House, Sinolink Garden Phase I, Taining Road, Luohu District, Shenzhen, Guangdong Province	Entertainment/ Commercial	3,625	2067	49.60%
5.	Shuitou Village, Dapeng Town, Longgang District, Shenzhen, Guangdong Province	Industrial	11,097	2044	70%