百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

2001 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

Turnover	HK$735,043,000	Up 18.09%	Cash balance	HK$638,231,000
Profit attributable to shareholders	HK$66,183,000	Up 1,399.73%	Cash balance per share	HK$0.42
Consolidated net assets	HK$1,254,852,000	Up 4.64%	Debt-to-equity ratio	23.96%
Net asset value per share	HK$0.83	Up 4.64%		

INTERIM RESULTS

The Board of Directors (the "Board") of Sinolink Worldwide Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2001, together with the comparative figures of the corresponding period in 2000, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2001

	Notes	Six months ended 30.6.2001 HK$'000 (unaudited)	30.6.2000 HK$'000 (unaudited)
Turnover	1	**735,043**	622,437
Cost of sales		**(644,841)**	(577,973)
Gross profit		**90,202**	44,464
Other revenue		**1,492**	2,039
Distribution costs		**(16,052)**	(6,594)
Administrative expenses		**(43,539)**	(43,547)
Other operating expenses		**(3,651)**	(514)
Profit (loss) from operations		**28,452**	(4,152)
Interest income		**12,799**	12,393
Finance costs		**(3,290)**	(711)
Gain on disposal of subsidiaries	2	**44,466**	—
Share of results of associates		**(263)**	(257)
Profit before taxation		**82,164**	7,273
Taxation	3	**(4,335)**	(2,107)
Profit before minority interests		**77,829**	5,166
Minority interests		**(11,646)**	(753)
Profit attributable to shareholders		**66,183**	4,413
Dividends		**(15,039)**	—
Profit for the period, retained		**51,144**	4,413
Earnings per share	4		
Basic		**HK4.4 cents**	HK0.3 cents
Diluted		**HK4.1 cents**	N/A
		HK$'000	*HK$'000*
Interim dividend declared of HK3 cents per share		**45,600**	—

Notes:

1. **SEGMENT INFORMATION**

An analysis of the Group's turnover and contribution to profit from operations for the six months ended 30 June 2001 is as follows:

30.6.2001	Sale of completed properties/ development Properties HK$'000	Electricity supply Operations HK$'000	Liquefied Petroleum Gas ("LPG") Business HK$'000	Other business activities HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE						
External	140,354	66,391	518,417	9,881	—	735,043
Inter-segment	—	—	—	5,097	(5,097)	—
Total revenue						
SEGMENT RESULT	140,354	66,391	518,417	14,978	(5,097)	735,043
	17,596	3,097	8,937	1,967	—	31,597
Other revenue						1,492
Unallocated corporate expenses						(4,637)
Profit from operations						28,452
30.6.2000						
REVENUE						
External	72,970	44,568	496,989	7,910	—	622,437
Inter-segment	—	—	—	7,635	(7,635)	—
Total revenue	72,970	44,568	496,989	15,545	(7,635)	622,437
SEGMENT RESULT	15,613	(8,126)	(1,719)	(10,032)	—	(4,264)
Other revenue						2,039
Unallocated corporate expenses						(1,927)
Loss from operations						(4,152)

Note: Other business activities include income from decoration, interior design work and property management services.

Profit (loss) from operations for the period ended 30 June 2000 has been restated to exclude interest income of HK$12,393,000 on bank deposits, reclassified as interest income to give a better presentation of the financial statements.

The Group's turnover and profit from operations are substantially derived from the PRC.

2. **GAIN ON DISPOSAL OF SUBSIDIARIES**

	Six months ended 30.6.2001 HK$'000	30.6.200 HK$'000
Gain on partial disposal of interest in a subsidiary	**44,183**	—
Gain on disposal of a subsidiary	**283**	—
	44,466	—

Gain on partial disposal of interest in a subsidiary represented gain arising on the spin-off of Panva Gas Holdings Limited on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the period.

3. **TAXATION**

	Six months ended 30.6.2001 HK$'000	30.6.200 HK$'000
The charge comprises:		
Profit for the period		
PRC, excluding Hong Kong	**4,335**	2,107

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 People's Republic of China (the "PRC"), certain of the Group's PRC subsidiaries established in the PRC are exempted from paying income tax for the first two years starting from their first profitable year of operation, 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 period.

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

4. **EARNINGS PER SHARE**

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

	Six months ended 30.6.2001 HK$'000	30.6.200 HK$'000
Earnings for the purposes of basic earnings per share	**66,183**	4,413
Effect of dilutive potential shares:		
Interest on convertible note	**1,368**	
Earnings for the purposes of diluted earnings per share	**67,551**	
Weighted average number of shares for the purposes of basic earnings per share	**1,520,000,000**	1,520,000,000
Effect of dilutive potential ordinary shares:		
Convertible note	**122,629,000**	
Weighted average number of shares for the purposes of diluted earnings per share	**1,642,629,000**	

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for the Company's shares for 2001.

Diluted earnings per shares for prior period has not been stated because the exercise of the outstanding share options and convertible notes of the Company would not have a diluting effect to the earnings per share.

BUSINESS REVIEW AND PROSPECTS

Property Development

For the period under review, the Group's property development business recorded a turnover of approximately HK$140,354,000, representing an increase of 92.34% compared with the corresponding period last year.

While the turnover figure reflects a fair achievement by the Group in property sales during the period, I reckon that there is much room for improvement.

The turnover was mainly derived from the sale of Sinolink Garden Phase Two. Since the pre-sale permit for Sinolink Garden Phase Three, named Mandarin House was not received until June 2001, the property could only commence sales in late August. The launch of Mandarin House has been well received by the market, and all additional units released in subsequent launches were sold out. Had the Group been more successful in controlling the development process of Mandarin House, its sale could have taken place in the first half of the year and the Group's turnover and profit would have exceeded the amounts now reported.

Learning from the experience, the Group has commenced, ahead of schedule, the planning and design works for Sinolink Garden Phase Four. Tentatively named "山水城", Sinolink Garden Phase Four will comprise a gross floor area of 500,000 square metres, of which 60,000 square metres are earmarked for commercial spaces. The Group plans to develop the commercial spaces and the streets in the vicinity into a major and most distinguished cultural and commercial centre in Shenzhen. The plan has received support from the relevant authorities of the Shenzhen government. Upon completion, this major project is expected to bring a fresh new look to the Donghu district where Sinolink Garden is located. The strong reputation of the Group being a developer of high quality properties will also be further enhanced.

Moreover, I have also reviewed the Group's strategies in property development and financial management. The Group had not fully capitalised on its strong brand name and rich cash resources to swiftly expand in the real estate markets in Shenzhen and other PRC cities beyond, thus missing the opportunities of increasing its land bank and building up a more favourable land portfolio. While the Group's current land bank amounts to 500,000 square metres, which is sufficient for the development of Sinolink Garden Phase Four until 2005, but from a long-term perspective, Shenzhen, Shanghai and Beijing are poised to benefit from the continued growth of the PRC economy, and the opportunities for property development in these cities should have been more vigorously pursued. The Group is now reverting its conservative strategies in property development and financial management by actively looking for acquisitions of prime land lots in Shenzhen, Shanghai and Beijing. These included a land lot with a developable gross floor area of 215,000 square metres in Dameisha, Shenzhen, which the Group recently tendered for. Although the Group lost the tender to the first highest bid, it did not affect the Group's determination to increase its land bank.

Property development is a capital-intensive business. The Group should make better use of its own cash reserves, or to take advantage of its relatively low borrowings to arrange financing with banks or financial institutions. The Group is also aware that foreign investors, including those strategic investors and investment funds, are showing great aspirations for the PRC property market. With shareholders' interest as a prerequisite, the Group will consider the feasibility of bringing in those investors who are capable of contributing to the Group's property development business to become its new shareholders, or participating in a portfolio of property developments to enhance the Group's capability in undertaking major residential and commercial projects.

Furthermore, the Group is actively exploring the feasibility of reorganising its property development flagship, Shenzhen Sinolink Enterprises Co., Ltd. ("Sinolink Enterprises"), into a joint stock company, with a listing for Sinolink Enterprises in a PRC stock market as the ultimate objective. This is essentially the same route taken by the Group, through a separate listing of Panva Gas Holdings Limited ("PANVA") on the Stock Exchange, to spin off its LPG business. The arrangement has several advantages. The separately listed subsidiary can have its own professional management team to make independent decisions and be responsible to its own shareholders, and can also raise funds from the capital market on its own. As for the Group, given that it will continue to maintain a controlling interest of more than 51% in the subsidiary, it will be able to continue sharing the business development and future growth of the subsidiary.

In order to speed up the development pace of the property development arm, the Group has strengthened its management team, including the appointment of Mr. Guo Zhaobin as the General Manager of Sinolink Enterprises. Mr.Guo is highly experienced in the real estate sector and his resourceful knowledge will bring a major contribution to the Group's property development team. The Group firmly believes that its most important asset is its staff. It will continue to recruit professionals and talents, particularly those with strong experience in the international financial markets, and will also further strengthen its staff training.

Liquefied Petroleum Gas Business (PANVA)

PANVA, the holding company of the Group's LPG business, has been reporting satisfactory results ever since its formation. Its annual turnover now exceeds RMB1,000 million and it has over one million customers. I believe that PANVA will be able to maintain high growth and expansion in the coming years.

During the period under review, PANVA was successfully listed on the Growth Enterprise Market of the Stock Exchange on 20 April 2001 (stock code: 8132). The capital market responded favourably to the listing, as reflected by the share price performance of PANVA. The Group through the spin-off of PANVA recorded a gain of HK$44,183,000. As the Group still maintains a controlling interest of approximately 78% in PANVA, it will be able to continue sharing the business development and future growth of PANVA.

During the first half, PANVA recorded a turnover of HK$518,417,000, an increase of 4.31% from the corresponding period last year. Its gross profit margin was 6.78%, a significant increase compared to 3.47% recorded for the same period last year. The increase in gross profit margin was mainly attributable to the increase in the retail business, which commands a relatively higher gross profit margin than the wholesale operation.

During the period, PANVA made significant efforts to expand its retail business. Sale of LPG in cylinders to retail customers accounted for approximately 19.19% of its turnover, a substantial increase from the comparative figure of approximately 5.79% recorded in the same period last year. The Group expects the profitability of PANVA to continue to grow from the further development of its retail business. Moreover, with a growing market share, PANVA is strengthening its current businesses while laying solid foundations for its future growth.

Apart from expanding its retail business, PANVA also spent efforts during the period to develop other businesses with good potential. I believe that PANVA is now entering a period of high growth. With high quality assets generating stable income, a professional and experienced management team, a renowned reputation and a respected brand name, plus the aggressive measures to develop the piped gas business, the auto-LPG business, the filling stations business and the industrial LPG business, PANVA should be able to enjoy higher returns than its trade counterparts. It is also encouraging that PANVA is in a strong cash position, with the trade receivables accounting for only a small portion of its substantial cash revenue, and a bade debt level that is virtually negligible. This healthy balance sheet will be highly beneficial to PANVA's further development.

Equipped with a proficient management team and a strong track record, PANVA will seek co-operations with reputable domestic and foreign enterprises to increase its corporate standing and market competitiveness. It will continue to focus on the enhancement of its LPG operations, including infrastructure development, sale and distribution, transportation and storage, and services. It will also directly or indirectly participate in acquisitions and mergers to swiftly expand its market share. I firmly believe that with the continuous rise in the living standards of the PRC, and the PRC government's commitment to environmental protection and green energy, the PANVA management team will be able to capitalise on PANVA's competitive advantages to achieve better results.

Electricity Generation

During the period, the Group's subsidiary Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade") completed the revamp and regular overhaul of its second generating unit and resumed normal production. Turnover of Fuhuade for the period amounted to approximately HK$66,391,000, representing an increase of 48.97% compared with the same period last year.

In May 2001, the relevant authorities of the Shenzhen government granted formal approval to Fuhuade for Fuhuade's technological reform programme, under which Fuhuade will "replace the small generating units with large ones". Fuhuade has carefully reviewed the demand for electricity in Guangdong province in the next five years and the cost benefits from expanding its capacity, before it decided on the programme for the purchase of new generators to double its current capacity. Having received the approval, Fuhuade is now sorting out the details on the purchase of a new generating unit that can also use natural gas fuel. The fuel will be available from a natural gas terminal, a major one in Guangdong province, to be situated about 10 kilometers to Dapeng Power Plant that is operated by Fuhuade. Upon completion of the terminal, Fuhuade will switch to natural gas fuel to further reduce its production costs and increase the profit margins.

The Company had signed an agreement back in April 2001 to dispose of its interest in Fuhuade to a third party buyer ("Buyer"), and had received a deposit of RMB10,000,000 from the Buyer. Other arrangements will now be made in light of the above development. As the deposit was received after the year-end of 2000, it had not been accounted for in the Group's 2000 consolidated income statement, nor would any new arrangement have any negative effects on the Group's consolidated profit for both 2000 and 2001.

Conclusion

The conservative business development and financial management strategies adopted in the past have hindered the Group's efforts in grasping the opportunities for fast growth. I would say the Group's performance in the past had mixed results and left considerable room for improvement. Notwithstanding the significant growth in the Group's results for the period under review, such results could have been even better. Looking forward, the Group will take active measures to speed up the development of its three principal businesses, all of which have strong roots in their respective fields. As mentioned above, the Group will also consider, with shareholders' interest as a prerequisite, the feasibility of bringing in those investors who are beneficial to the development of the Group's principal businesses to become its new shareholders.

I noted that the Company's share price performance had lagged behind the overall performance of the Hong Kong stock market during the period under review, and its discount to net asset value was higher than many others in the same industry. As a way to thank shareholders for their support, the Group has proposed a "Property Purchase Reward Scheme" exclusive for shareholders of the Company (the "Shareholders"), details of which are contained in a letter to Shareholders. Moreover, the Board has also declared an interim dividend of HK3 cents per share and proposed bonus issue of 1 bonus share for 10 existing shares held. In future, the Group will place stronger emphasis on returns to Shareholders. It is hoped that Shareholders will find the returns satisfactory and rewarding.

FINANCIAL POSITION

The Group's total borrowings increased slightly from approximately HK$284,276,000 as at 31 December 2000 to approximately HK$300,646,000 as at 30 June 2001. The proportion of borrowings due within one year to total borrowings also increased from approximately 80.6% to approximately 81.6% and a long term liabilities to equity ratio of 4.4%. Borrowings are mainly used to finance the property development projects of the Group and are all borrowed at fixed interest rates.

Total assets pledged in securing these loans have a net book value of approximately $240,160,000 as at 30 June 2001. Bank borrowings of the Group are denominated in RMB and as the entire operation of the Group is carried out in the PRC, all receipts and payments in relation to operation is denominated in RMB. In this respect the Group is not exposed to any foreign exchange exposure risk. No financial instruments were used for hedging purpose.

The Group's cash and cash equivalents amounted to approximately $638,231,000 as at 30 June 2001 are mostly denominated in RMB, Hong Kong dollars and US dollars.

EMPLOYEES AND REMUNERATION POLICIES

There were no material changes to the Group's employees and remuneration policies from that disclosed in the annual report of the Company for the year ended 31 December 2000.

POST BALANCE SHEET DATE EVENTS

Subsequent to 30 June 2001, investment amounted to approximately HK$1.2 million was sold to an independent third party for a total consideration of approximately RMB1.3 million (equivalent to approximately HK$1.2 million).

On 1 July 2001, the Group through Pan River Gas (China Southwest) Co. Ltd, a subsidiary of the Company, entered into a joint venture agreement with two independent third parties to set up a sino-foreign equity joint venture in Kunming, Yunnan Provinces in the PRC, Panva Gas (Yunnan) Co., Ltd. to carry on the business of selling and distribution of LPG and LPG related products including sale of LPG in bulk and in cylinders, the provision of piped gas, and the sale of LPG household appliances and the provision of piped gas construction services. The capital contribution of the Group is RMB33.5 million (equivalent to approximately HK$31.3 million) which is equivalent to 56.94% of the registered capital of Panva Gas (Yunnan) Co. Ltd.

INTERIM DIVIDENDS

On 12 April 2001, the Company distributed a special interim dividend satisfied by way of transfer of 15,200,000 shares of PANVA in the proportion of approximately 20 shares of PANVA for every 2,000 shares of the Company held.

The Board has resolved to declare an interim dividend of HK$0.03 per share (2000: Nil) in respect of the six months ended 30 June 2001. The interim dividend is payable on or before 1 November 2001 to Shareholders whose names appear on the register of members of the Company on 26 October 2001.

PROPOSED BONUS ISSUE OF SHARES

The Board proposes a bonus issue of shares ("Bonus Share") of HK$0.01 each, credited as fully paid by way of capitalisation of part of the Company's share premium account, on the basis of one Bonus Share for every ten existing shares held by the Shareholders, conditional on Shareholders' approval at a special general meeting, the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Bonus Shares and the approval of the Bermuda Monetary Authority if required.

A circular to the Shareholders setting out the details of the proposed bonus issue of shares and the notice of the special general meeting will be issued to the Shareholders in due course.

CLOSURE OF REGISTER OR MEMBERS

The register of members will be closed from 23 October 2001 to 26 October 2001, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all completed transfer forms with share certificates must be lodged with the Company's Hong Kong Registrar and Transfer Office, Central Registration Hong Kong Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 22 October 2001.

NOTICE OF APPOINTMENT OF DIRECTOR

Mr. Tang Yui Man, Francis was appointed as executive director of the Company with effect from 18 September 2001.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The full announcement of interim results of the Group, containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange, will be published on the Stock Exchange's website www.hkex.com.hk.

By Order of the Board
Ou Yaping
Chairman

Hong Kong, 18 September 2001

* *For identification purpose only*

Website: http://www.irasia.com/listco/hk/sinolink