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 (collectively the "Group") for the six months ended 30 June 2004, together with the comparative figures of the corresponding period in 2003 as follows:

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2004

- Group turnover up 8.5% to HK$945.5 million
- Gross profit up 10.9% to HK$209.5 million
- Net profit amounted to HK$67.0 million
- Earnings per share amounted to HK$0.0292
- Interim dividend declared of HK$0.015 per share

MANAGEMENT DISCUSSION & ANALYSIS

Business Review and Prospects

For the six months ended 30 June 2004, the Group recorded a turnover of HK$945,476,000, representing an increase of 8.5% as compared to the same period last year. Gross profit increased to HK$209,516,000 for the six months ended 30 June 2003, an increase of 10.9% as compared to the same period last year. The increase in gross profit was mainly attributable to the significant progress of the Group's gas fuel business but was partly offset by the decrease in property sales. Net profit amounted to HK$67,050,000, representing a decrease of 12.9% from the corresponding period last year.

Property Development

For the six months ended 30 June 2004, the Group recorded a turnover of HK$83,217,000 for the property development business, representing a decrease of 46.4% as compared to the same period last year. The Group sold a total floor area of approximately 12,200 square metres during the period as compared to 24,600 square metres for the same period last year. The decrease in turnover was mainly attributable to the fact that the available gross floor area for sale was from the remaining units of Sinolink Garden Phase Three, *The Mandarin House* and *Sinolink No. 8*, while Sinolink Garden Phase Four western district, *The Oasis* only commenced presale in the second half of 2004. The turnover was mainly derived from the sales of *The Mandarin House* and *Sinolink No. 8*, which accounted for 54.7% and 45.3% respectively of the total property sales for the period. The average selling prices for *The Mandarin House* and *Sinolink No. 8* were RMB7,296 and RMB8,542 per square metre respectively which increase slightly as compared to the same period last year.

As at 30 June 2004, the Group has the following properties under development:

– Sinolink Garden Phase Four western district, *The Oasis* is a 1,322 units development covering a total gross floor area of 140,868 square metres and a 20,619 square metres commercial development. With Jusco as a major anchor tenant, the project also concentrates in the development of medium size properties. The construction works of this whole project is expected to complete by September 2005. Subsequent to the period end, *The Oasis* commenced presale and has received favourable results.

– *The Mangrove West Coast* is a development project with a total site area of 75,102 square metres and total gross floor area of approximately 249,300 square metres. This residential development project has completed close to half of its development as at 30 June 2004. Pre-sale schedule is under planning.

During the period under review, the Group sold its 82% equity interest held in a development project in Dameisha, Shenzhen to independent third parties for a consideration of HK$66,188,000, resulting in a gain on disposal of HK$3,898,000. As the project has been designated as a resort development, and after taking into account of the slow progress in the development of the surrounding infrastructure, the Company decided that the project will not generate the return it had planned for, thus sold the project when the Company was approached by the independent third parties.

In the second half of 2004, the Group expects an increase in the gross floor area available for sale due to the launch of *The Oasis*. With the positive response from the presale of *The Oasis*, the Group expects the sales of properties to improve. On the macro side, the PRC government imposed several control measures to adjust its economy. The Board believes these macro-austerity measures had not directly impacted on the property development business of the Group. In fact, the demand for medium size properties continue to prosper in the Shenzhen property market and the Group's development project, *The Oasis*, just fits this trend and demand. Moving ahead, the Group will continue to seek its expansion in the property development business by actively exploring other projects which offer premium value to home buyers.

Gas Fuel Business

For the six months ended 30 June 2004, Panva Gas Holdings Limited ("Panva Gas"), the Group's gas fuel business, recorded a turnover of HK$848,634,000, representing an increase of 20.7% compared to the same period last year. Turnover for wholesale, retail and gas pipeline construction businesses all contributed to the increase with increases of 15.8%, 24.2%, and 28.7% respectively compared to the same period last year.

The gross profit increased by 17.2% compared to the same period last year. The increase in the gross profit is mainly attributable to the growth of the piped gas business and the net profit rose by 14.9% to HK$95,356,000.

In the first half of 2004, two additional piped gas projects have been secured by Panva Gas, namely, a 90% equity joint venture in Yuechi Panva Gas Company Limited and 100% equity interest in Cangxi Panva Gas Company Limited, both located in the Sichuan Province, the PRC. Both projects are principally engaged in the supply of natural gas, the construction of natural gas pipelines and the sale of natural gas and Liquefied Petroleum Gas ("LP Gas") appliances and have exclusive rights to own and operate the city pipeline networks in their respective cities for a period of 30 years. As a result of these acquisitions, the Group has further increased its market share and strengthened its competitiveness in the piped natural gas sector in Sichuan, which significantly enhanced the Group's economies-of-scale benefits and competitive advantages.

On 8 January 2004, the Group completed the top-up placing arrangement which commenced in December 2003 by subscribing 155,200,000 new shares of Panva Gas bringing its interests in Panva Gas to 63.59%.

In the second half of 2004, Panva Gas will continue to strengthen its piped gas development business in the southwestern, southern, eastern and northeastern PRC regions and strive to secure more high quality piped gas projects. At the same time, Panva Gas will also continue to invest in and actively expand its retail and wholesale businesses of LP Gas.

Subsequent to the period end, on 27 August 2004, Panva Gas through its wholly owned subsidiary entered into an agreement to acquire 48% equity interest in Changchun Gas Holdings Limited ("Changchun Gas"), a company incorporated in the PRC and located in the province of Jilin, for a consideration of HK$354.4 million. The principal business of Changchun Gas includes the operation of the piped gas network in the city of Changchun, including the construction of the main trunk, sub-branch networks and the connection into individual households, the supply of piped gas to industrial, commercial and residential users, and the processing, transportation, storage, wholesale, retail and logistic services of coal gas, natural gas and LP Gas and related services.

Electricity Generation

The electricity generation business is carried out by the Group's associated company, Enerchina Holdings Limited ("Enerchina"), which in turn owns 70% equity interest in Fuhuade Power Plant located in Dapeng Town, Shenzhen.

On 19 April 2004, Enerchina completed an open offer of shares on the basis two offer shares for every existing share held. The Company through its wholly owned subsidiary, acted as the underwriter of the open offer and raised approximately HK$600.5 million. As such, the Group's equity interest in Enerchina was increased from 33.70% to 37.10%.

During the six months ended 30 June 2004, Fuhuade Power Plant achieved a total power output of 645.3 million kilowatt hour, of which 633.5 million kilowatt hour were sold on grid, generating a turnover of HK$364,675,000, representing a growth of 94.2% compared to the same period last year. The increase in output was mainly attributed to the increase in installed capacity upon the completion of the second combined cycle generating unit in May 2003.

In the second half of 2004, the Group expects its third combined cycle generating unit to complete its construction and commences production in September 2004 as scheduled. In response to the strong demand for electricity in the PRC, the Group is also conducting feasibility studies towards switching to the utilization of natural gas as fuel and to further expand its capacity by exploring new projects in the markets to ensure the Group can maintain a high growth rate in this business.

FINANCIAL POSITION

The Group's total borrowings increased from HK$1,234,711,000 as at 31 December 2003 to HK$1,312,616,000 as at 30 June 2004. The increase is mainly due to the increase in bank and other loans raised by Panva Gas for the expansion of piped gas business. The proportion of borrowings due within one year to total borrowings increased slightly from 54.2% to 55.8% and a long term borrowings to equity ratio of 26.2%. Bank borrowings are mainly used to finance the property development projects of the Group and the convertible note and bonds are used for the expansion Gas Fuel business. With the exception of one Hong Kong Dollar denominated bank loan which is tied to Hong Kong Inter-bank Best Offer Rate, all other borrowings are at fixed interest rates.

Total assets pledged in securing these loans have a net book value of HK$279,413,000 as at 30 June 2004. With the exception of the convertible bonds which is denominated in United States Dollars and a Hong Kong Dollar denominated bank loan mentioned above, all other borrowings of the Group are denominated in Renminbi ("RMB"). As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments were used for hedging purpose; however, the Board is evaluating and closely monitoring the potential impact of RMB appreciation and interest rate movement and the instruments that could minimize such potential impact on the Group.

The Group's cash and cash equivalents amounted to HK$1,004,274,000 as at 30 June 2004 are mostly denominated in RMB, Hong Kong dollars and US dollars.

CAPITAL COMMITMENTS

At 30 June 2004, the Group has capital commitments in respect of properties under development and interest in subsidiaries not provided in the financial statements amounted to HK$1,232.7 million and HK$135.8 million respectively.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchases of the Group's properties amounted to HK$13,796,000.

EMPLOYEES AND REMUNERATION POLICIES

At 30 June 2004, the Group employed approximately 3,886 full time employees. The Group recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other Various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option schemes adopted by the Group.

INTERIM DIVIDEND

The Board has revolved to declare an interim dividend of HK$0.015 per share (2003: HK$0.03) in respect of the six months ended 30 June 2004. The interim dividend is payable on or before 21 October 2004 to shareholders whose names appear on the register of members of the Company on 15 October 2004.

CLOSURE OF REGISTER OR MEMBERS

The register of members will be closed from 11 October 2004 to 15 October 2004, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms with share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 8 October 2004.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
Tang Yui Man Francis
Chief Executive Officer

Hong Kong, 17 September 2004