OU Yaping
*Chairman*

Enhance Value
Create Value
Identify
Value

*On behalf of the board of directors (the "Board" or "Directors") of Sinolink Worldwide Holdings Limited ("Sinolink" or the "Company"), I am pleased to announce that the Company and its subsidiaries (collectively the "Group") recorded remarkable results during the year ended 31 December 2005.*

## BUSINESS REVIEW

During the year under review, the Group achieved robust growth with record levels of turnover and contributions from all across our core businesses. The turnover increased by 130% to HK$4,770 million and profit attributable to equity holders of the Company increased by 141% to HK$671 million. The basic earnings per share increased by 136% to HK28.42 cents. The Board has proposed to distribute a final dividend of HK3.5 cents per share (the "Share") in respect of the year ended 31 December 2005.

### Property Business

In 2005, the People's Republic of China ("PRC " or "China") government continued to take macro austerity measures to adjust its economy. Those measures that affect our property development business include raising the mortgage interest rate, raising the ceiling of deposit for mortgages to 30%, the introduction of the capital gain tax in the Guangdong Province, the stringent land management as well as prohibitions on the transfers of pre-sale unit. However, the Group's property sales was not affected by these measures due to the booming Chinese economy, the surge in property buying on affordability and the massive influx of foreign money into the property markets in the PRC. In fact, one of our most prestigious properties, *The Mangrove West Coast*, when it was first launched for pre-sale in May 2005 had set the highest selling price per square metre record in Shenzhen property history due to its exclusive location, finest quality and advanced features.

Our success was mainly contributed by our quality control through our design and our committed team of professionals. We are prepared to take our success and skills in the Shenzhen market into other high-potential cities in the PRC. Year 2005 sets a milestone year for the Group's property development business as the Group has first tapped into Shanghai property market with the announcement of our investment in the Shanghai Bund de Rockefeller Group. With our proven business model, reputation and extensive experience in Shenzhen, we are committed to carrying these attributes into other new cities.

## Power Business

The PRC economy in 2005 recorded a growth of more than 9% in gross domestic product ("GDP") and I believe the growth in the PRC economy will remain steady in 2006 as the PRC government recently set out new policies in the "Eleventh-five year" plan in order to focus on building up a harmonious society while maintaining a sustainable growth. One of the concern and focus of the PRC government is the stability of energy and the environmental impact from the energy sector. I believe our Group through Enerchina Holdings Limited ("Enerchina", Stock code: 622) is poised to benefit from that.

In 2005, I saw significant progress made by the Group in achieving our mission, which is to become a major clean energy provider in the PRC. Firstly, the Group's newly installed 180,000 kilowatts power generator unit, which has duel fuel capability, commenced operation in May. This newly installed capacity has brought our power plant to a total installed capacity to 665,000 kilowatts and become one of the largest power plants in Shenzhen. With such existing installed capacity, I believe that our Group is in a favourable condition to use natural gas as an alternative fuel source in the near future.

The Board and I believe that 2006 is still a challenging year for our power generation business as we are still facing soaring fuel costs. I believe that our management and staff have the ability and skill to counter these challenges and bring long terms success for the Group in the future.



## Gas Fuel Business

The gas fuel sector in the PRC has entered into a stage of rapid growth. Blessed by the rising demand for natural gas and spurred by the opening up of the production chain, the natural gas sector is becoming more market-oriented and adopting higher standards. In February 2005, the State Council released a new policy paper outlining the "three symbols and six trends" in the development of non-public economy, which stated that "encouragement and support will be given to the entry of non-public capital into the infrastructure, public utilities and monopolised sectors, and other sectors and industries that are not forbidden by laws". At the same time, the PRC has begun drafting an Energy Law on oil and natural gas.

In light of the PRC's further opening up of public utilities and the increasing adoption of market oriented principles in the natural gas sector, large utility companies with strong competitiveness will be poised to grow further. Privatisation of state-owned utilities will continue to gain ground while large and efficient utility operators will be able to improve profit margins.

The Group remains positive towards the outlook of the PRC's end-user market for Liquified Petroleum Gas ("LP Gas"). In recent years, the PRC consumed as much as 30 million tonnes of LP Gas per year, of which approximately 70% was domestic consumption. Overall, domestic consumption of gas fuel products has been rising. while some cities have switched to natural gas, consumption of LP Gas has been growing rapidly in rural households, which accounted for 10% of total gas fuel consumption in 2004 against 4% in 1994. LP Gas will remain an essential gas fuel in the PRC for a significant period of time.

Despite the higher purchasing costs of LP Gas products as a result of the rise in international oil prices, the Group's LP Gas business managed to report satisfactory results in 2005. This can be attributed to the Group's successful executive and management of its operations and resources.

## PROSPECTS

### Property Business

Looking ahead to 2006, I am optimistic of the outlook of the property market in the PRC given the upbeat market sentiment and massive influx of foreign funds. The Group is prepared to take advantage of opportunities as they arise to drive future growth. With the distribution of Enerchina's shares completed on 13 April 2006 the focus of the Group is clearer through future financial information depicting the performance of our property development business and our share from the contribution from Enerchina.



The Group will continue to expand in Shenzhen to take advantage of the increasing demand for quality housing from the market and the established brandname of Sinolink. The better transportation infrastructure in Shenzhen and increasing affordability in purchasing private car will provide convenience to the Shenzhen residents and thus provide us the opportunities to explore the greater city area of Shenzhen.

On the other hand, the Group is currently actively exploring any potential high returns projects in other major cities of the PRC. On 30 November 2005, an investment agreement was entered into with the Rockefeller Group International Inc. to jointly develop the Shanghai Bund de Rockefeller Group or Waitanyuan Project. The project is a significant re-development project of Shanghai and a pivotal project of the comprehensive development along the Huangpu River. Surrounded by Yuanmingyuan, East Beijing, Huqiu and South Suzhou roads, Shanghai Bund de Rockefeller Group occupies 18,000 square metres of land, and houses seven famous historical buildings. There will be commercial and cultural facilities, service apartments, office buildings as well as public squares in the blueprint. This development project will bring returns and contributions to the Group in medium term.

A Memorandum of Understanding was signed with the Rockefeller Group International to form a real estate investment fund called "The Rockefeller Group•Sinolink Greater China Fund" on 2 December 2005, aiming to provide net worth and institutional investors access to a portfolio of real estate projects in Greater China with strong growth potential.

### Power Business

With increased installed capacity to 665,000 kilowatts and together with the growth in power consumption in the Guangdong province, the power plant will further increase the power output in 2006.

However, the major challenge in 2006 is still heavy oil price and will continue to be a major determinant of the Group's power sector profitability. The Group believes that the heavy oil price may not come down significantly in the near future.

In 2006, we undergo the gas conversion of the power plant which allows natural gas, a significantly more economical source of fuel with substantial less pollution, to be used as an alternative. In the medium term, the Group will look for opportunities in expanding our power generation business and continue to explore the opportunities to expand into the clean energy sector of the PRC.

### Gas Fuel Business

In view of the further reform of public utilities and the increasing adoption of market oriented principles in the gas fuel sector of the PRC, large operators with high efficiency in operations is expected to enjoy greater advantages. While adhering to the principles of enhancing its economies of scale and operating efficiency, the Group is taking a two-pronged approach to increase its leading position in the market.

On the one hand, the Group will dedicate more efforts to new project development. For the piped gas business, we will further increase of the Group's market share in northeastern, southwestern and southern PRC regions and its expansion into other selective regions, while on the LP Gas front it preludes the Group's further penetration into major and medium PRC cities. On the other hand, the Group will make further endeavour to realign its operations and increase its economies-of-scale benefits, with the ultimate objective of generating higher returns for shareholders.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our board members, customers and business associates for their strong support, and our staff for their high diligence during the past year. I would also like to thank our shareholders for their continual support and trust of the management team through all these years.

**OU Yaping**
*Chairman*
Hong Kong, 24 April 2006