CHAIRMAN'S STATEMENT

Enhance Value

Create Value

Identify Value

Ou Yaping
Chairman

On behalf of the board of directors (the "Board") of Sinolink Worldwide Holdings Limited ("Sinolink" or the "Company"), I am pleased to report that the Company and its subsidiaries (collectively referred as the "Group") achieved outstanding results for the year ended 31 December 2006.

Mangrove West Coast, Shenzhen

Sinolink Garden Phase V "Oasis Plaza", Shenzhen

RockBund, Shanghai

BUSINESS REVIEW

For the year ended 31 December 2006, the Group achieved excellent results in its core business in property development, investment and management. Turnover from continuing operations increased by 102% to HK$2,326.7 million and profit attributable to equity holders of the Company increased by 43% to HK$962.4 million. Basic earnings per share increased by 20% to HK33.99 cents. The Board has recommended to distribute a final dividend of HK3.5 cents per share (the "Share") in respect of the year ended 31 December 2006. The Board has also recommended a bonus issue of new shares on the basis of one new Share for every eight existing shares of the Company (the "Shares") held by the shareholders of the Company.

Property Business

2006 was an exciting yet challenging year for property developers in China. On the one hand, robust economic growth and increasing purchasing power led to the unrelenting demand for improved housing environment. Overseas investors flocked to China on a shopping spree in anticipation of the Renminbi's appreciation. Demand for

CHAIRMAN'S STATEMENT

new properties was immense and prices continued to escalate. On the other hand, in an attempt to prevent the property market from overheating, China's central government decided to introduce a new round of macroeconomic austerity measures.

China's economic development is among the fastest in the world, with gross domestic product ("GDP") growing at an annual average rate of 9.4% for the past 25 years. With the growth in the economy, the population of wealthy and high income families, especially those in cities along the coast within easy reach of Shanghai, Beijing and Guangzhou have grown rapidly and the demand for improved living standards have continued to rise.

China's State Council issued a new round of macroeconomic austerity measures in May 2006 with an aim to easing the upward pressure on property prices. These policies focused on both the supply and demand of residential properties. From 1 June 2006, capital gains tax is imposed on the sale of homes that have been owned for less than five years, which is expected to impact on both short-term and medium-term property investors. Also, units smaller than 90 square metre must account for at least 70% of the total floor space in any new residential housing project. By the end of 2006, central government decided to strictly enforce the collection of Land Appreciation Tax (LAT) which policy has been in place since 1993.

We see these as the continuation of the macroeconomic austerity measures announced in 2005 with the ultimate aim of fostering a healthy property market in the long run. Despite its well intentioned motives, the effect on the property market was immediate and significant.

Whilst the Mangrove West Coast, the Group's flagship property development in Shenzhen, recorded remarkable sales during the first half of 2006, the macroeconomic austerity measures had the effect of slowing down the sales during the traditionally busy summer period because many potential buyers took a "wait-and-see" attitude. However, sales activities soon picked up in the last quarter of 2006 and the selling price continued to appreciate. By the end of 2006, the monthly average selling price of the Mangrove West Coast was 65% higher than the initial launch price in May 2005.

A winning entry from the Mangrove West Coast photo competition

CHAIRMAN'S STATEMENT

The Group joined forces with the Rockefeller Group to develop *RockBund*, a 94,080 square metre urban mix-use redevelopment project at the historic confluence of the Hangpu River and Suzhou Creek in downtown Shanghai. The project is registering good progress in line with the overall timetable for completion. Our cooperation with the Rockefeller Group underscores our Group's ability to develop landmark projects with international partners.

In Shenzhen, the final phase of Sinolink Garden, the "Oasis Plaza" has commenced foundation works and is expected to benefit from the continued demand for high end residential units when it comes on stream.

Other Strategic Investments

During the first half of 2006, the Group completed a corporate reorganization to redirect its focus in the property development, investment and property management businesses, by declaring a special interim dividend to be satisfied by way of a distribution in specie of the shares of Enerchina Holdings Limited ("Enerchina Shares") held by the Company. The distribution in specie was in the proportion of 5 Enerchina Shares for every 10 Shares held by the shareholders of the Company on 22 March 2006.

Following this distribution of Enerchina Shares, the Group's shareholding in Enerchina Holdings Limited ("Enerchina", stock code: 622) was decreased from 74.79% to 45.39% and Enerchina became an associate of the Company. As such, the results and performance of Enerchina is accounted for under the equity accounting method.

The year 2006 saw continued challenges for the electricity generation business as its direct operating expenses continued to increase due to the escalating fuel cost, putting Enerchina's power generation business under enormous pressure. Through the efforts of the management in improving productivity and strengthening fuel procurement and inventory control, the gross profit margin of power generation for the year increased slightly by 2.1% as compared to 2005.

In line with the government's strategy to use cleaner and more environmentally friendly fuel, Enerchina has commenced the conversion of the power plant to using natural gas. The conversion is progressing as planned and is expected to be completed in 2007.

The Group's investment in the gas fuel business is through Enerchina's subsidiary Panva Gas Holdings Limited ("Panva Gas", stock code: 1083). The year 2006 marked a breakthrough for the business. Panva Gas acquired equity interests in 10 PRC companies and took assignment of their shareholder loans from Hong Kong and China Gas (China) Limited ("HKCG"). In consideration for the acquisition, Panva Gas issued approximately 773 million new shares to HKCG, which represented approximately 44% of the enlarged issued share capital of Panva Gas. Henceforth, Panva Gas has become an associate company of both Enerchina and HKCG with the latter as the major shareholder of Panva Gas.

Effective 1 March 2007, Enerchina's shareholding in Panva Gas was decreased from 57.94% to 30.5%. The acquisition has provided Panva Gas with the opportunity of gaining a higher market share in the northeastern and northern regions in the PRC.

CHAIRMAN'S STATEMENT

PROSPECTS

Property Business

Looking ahead, sustainable economic growth in China will be the key driver for the growth in the property sector. We anticipate further macroeconomic austerity measures to be unveiled in 2007, which will be conducive to a healthy and lasting development of the property market in China. The Shenzhen-Hong Kong Western Corridor is scheduled to open in July 2007 and is expected to shorten significantly traveling time between the two cities, further boosting sales and price of Mangrove West Coast.

RockBund is our first step in expanding our horizons beyond Shenzhen. Completion is expected to be on schedule by the 2010 Shanghai World Expo and initial contacts with anchor tenants for the commercial and retail space have already commenced. We expect *RockBund* to revitalize the northern tip of the Bund and create the most fashionable neighborhood in Shanghai.

The Oasis Plaza will continue to add reputable brands as anchor tenants and pre-sale of the residential units is planned for early 2008, subject to market conditions. The latest plans for the Shenzhen government to locate an underground subway exit at our development should prove beneficial to the project.

We shall continue to focus our future developments in China's first tier cities, namely Shenzhen, Shanghai and Beijing. These are cities with strong GDP growth, sophisticated buyers and high purchasing power. We also plan to capitalize on our successful Sinolink Garden model and established brand name in our future developments.

To ensure growth in our property development business, the Group is actively negotiating on new development projects to add to its portfolio. The Group expects to be able to secure such sites during 2007.

Although the Group's future focus remains in residential development projects, we are also expanding our investment property portfolio to secure a stable income stream as well as capital appreciation potential for the Group in the future. Upon the completion of *RockBund* and *The Oasis Plaza*, our investment property portfolio is expected to increase six fold in terms of gross floor area.

Other Strategic Investments

The high heavy oil price, though somewhat stabilized, will remain the key challenge for Enerchina. Although subsidies from government ensure operating profitability of the power generation business, Enerchina is exploring alternatives to reducing reliance on heavy oil through the conversion to natural gas, which is a cheaper and cleaner fuel source. Once conversion to using natural gas is completed and the long term supply of natural gas is secured, we expect Enerchina to pursue expansion plans to increase the power generation capacity, from the existing total installed capacity of 665 MW to 1,400 MW.

In March 2007, HKCG became the controlling shareholder of Panva Gas. The Group is excited about the prospects of operational synergies as well as the added value that HKCG will bring to the business. The acquisition of assets from HKCG is poised to enhance shareholder's value and maximize the return to Panva Gas. We expect Enerchina to reap the benefits in its capacity as shareholder of Panva Gas, ultimately generating substantial returns to the Group.

CHAIRMAN'S STATEMENT

In the coming year, Panva Gas will work closely with HKCG to create operational synergies for both parties by adopting a two-pronged approach. While Panva Gas will make new project development a top priority, it will capitalise on the support of HKCG to enhance internal controls, engineering and safety management and to obtain higher operational efficiency.

The Group remains positive on the outlook of the energy businesses in China with continued demand for power and growth potential in the downstream gas fuel businesses. The Group will continue its strategic investment in these businesses and explore opportunities to extract further value from such investments.

APPRECIATION

Our team approach, hard work and dedication of the Group's management and staff are what made our achievements possible. On behalf of our shareholders and my fellow board members, I would like to record my heartfelt thanks to them all.

Ou Yaping
Chairman

Hong Kong, 19 April 2007