



[For Immediate Release]

**Panva Gas Reports a Net Profit Surge of 318.2%
for its 2002 Annual Results**

Financial Highlights

	<i>For the year ended 31 December</i>		Change (%) + / (-)
	2002 HK\$'000	2001 HK\$'000	
Turnover	1,150,322	1,008,335	14.1%
Gross profit	261,895	127,833	104.9%
Net profit for the period	132,538	31,693	318.2%
Earnings per share - Basic	HK (cents) 21.97	HK (cents) 5.59	293.0%

Business at a Glance

	<i>For the year ended 31 December</i>	
	2002 HK\$'000	2001 HK\$'000
Wholesale	710,241	752,419
Retail sales	256,511	233,509
Gas pipelines construction	166,482	10,191
Sale of LP Gas appliances	17,088	12,217

[March 24, 2003, Hong Kong] - Panva Gas Holdings Limited ('Panva Gas' or the 'Group'; Stock code: 8132) announced today its annual results for the year ended December 31, 2002.

For the year ended 31 December 2002, the Group recorded a turnover of approximately HK\$1,150,322,000, which represents an increase of approximately 14.1% from last year. The gross profit margin increased significantly from 12.68% in 2001 to 22.8% in 2002. The increase in gross profit margin was mainly attributable to development in the gas pipeline construction business and consistent growth in the proportion of the retail business, as well as the improvement in management efficiency. Profit attributable to shareholders was approximately HK\$132,538,000, representing a substantial increase of approximately 318.2% from last year.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2002, in order to retain capital to speed up the Group's business development, given the enormous potential in the PRC fuel gas industry.

Commenting on the results, Managing Director of the Group, Mr. Chen Wei, said, 'Panva Gas has achieved promising results in business development, operations management and investor relations in the year 2002, and for the most part, we have successfully met or exceeded our goals. We are pleased to present this report to our shareholders.'

As the PRC is still in a developing stage in energy alignment, only those enterprises with strong access to up-stream energy resources can ensure smooth operation and added value advantages for their down-stream gas fuel businesses. As such, the LP Gas wholesale operation will continue to play a significant role in the Group's overall development and facilitate the development of the retail business.

In 2002, the Group focused on increasing the proportion of the higher margin retail sales business through realigning its resources and providing its operations with stronger support. Alongside this strategy was the continual effort to increase the market share and enhancements to our customer service. Remarkable results have been achieved, as can be seen in the turnover from retail sales, which grew by 9.9% to HK\$256,511,000, and the proportion it accounted for in the Group's total turnover, which amounted to 22.3% representing an increase of 9.8% over last year's figure.

During the year, as part of the strategy to help accelerate the piped gas business, Panva Gas worked hard on the development of gas pipelines for its end-user household customers. As part of its efforts to expand retail sales and the piped natural gas business, Panva Gas established three operating subsidiaries in 2002, namely Pengxi Panva Gas Co. Ltd, Weiyuan Panva Gas Co. Ltd. and Gaochun Panva Gas Co. Ltd. The establishment of these subsidiaries not only assisted the Group to expand market share in various regions, but also the overall enhancement of Panva Gas' economy-of-scale advantages.

During the year, Hutchison Whampoa Limited (“Hutchison”) acquired a 6.4% interest in the Company from our parent Sinolink Worldwide Holdings Limited (“Sinolink”) and subscribed for an exchangeable note issued by Sinolink, for a total consideration of HK\$250,000,000. Issued in October 2002, the exchangeable note has a total value of HK\$125,000,000 with an interest of 2% per annum, and can be exchanged to the Company’s shares within two years at HK\$3.25 per share, up to an amount that is equivalent to approximately 6.4% of the Company’s total issued shares at the date of the note issue. Through the transactions, Hutchison has become the second largest shareholder of the Company. In December 2002, Mr. Canning Fok Kin-Ning, the Managing Director of Hutchison, was appointed as a non-executive Director of the Company, and Mr. Simon To Chi Keung, the managing director of Hutchison Whampoa (China) Limited, was appointed as an alternate Director to Mr. Fok. The investment reflects Hutchison’s confidence in the Group’s management team and its strategy towards the gas fuel market in the PRC. Its participation will facilitate the Group’s business development in the PRC and enhance the value of the Panva brand.

As an effort to strengthen the Group’s competitiveness in the PRC gas fuel market and to lay a solid foundation for the Group to further increase its market share, the Group has entered into an arrangement with the Bank of China, Shenzhen Branch (“Shenzhen BOC”) under which Shenzhen BOC agreed to provide a banking facility for the Group up to RMB6 billion to finance the Group’s investments in city pipe gas projects in the PRC. The arrangement is valid for a period of three years. The banking facility reflects the business and financial strength of the Company along with the huge market potential of the gas industry and the high standing of Panva’s shareholders.

Looking ahead, with the PRC’s strong economic growth, the demand for gas is expected to increase accordingly. The high potential growth, coupled with the continuous development strategies adopted by the PRC government and concern on environmental protection, will continue to be the main driving force for the growth of the PRC gas fuel industry.

To conclude, Mr. Chen commented on the Group's future business strategies, "Results belong to the past. Looking into the future, we will be putting extra efforts to improve ourselves. We seek to seize every opportunity to accelerate the pace in developing the market. Also, we will continue our efforts in establishing the brandname of Panva, as well as enhancing the corporate management standard and profitability. We strongly believe that Panva will achieve even more outstanding performance in the coming year."

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Corporate Background:

Panva Gas Holdings Limited, the gas business arm of Sinolink Worldwide Holdings Limited (Stock code: 1168), is engaged in the investment, development and operation of gas fuel business in eastern, central and southwestern regions of the PRC. The Group's main activities include the sale of LP Gas in bulk and in cylinders, the provision of piped natural gas and LP Gas, the operation of city pipeline networks, the sale of natural gas and LP Gas household appliances. Panva Gas was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 20 April 2001.

For more information, please contact:

iPR ASIA LTD

www.iprasia.com

Michelle Chen/ Antonia Au/ Rayven Chow/ Ellen Zee

Tel: 2136 8072/ 6176/ 6953/ 6184

Fax: 2136 6068