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百仕達控股有限公司\*

SINOLINK WORLDWIDE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1168)

## 2009 RESULTS ANNOUNCEMENT

### FINANCIAL HIGHLIGHTS

*For the year ended 31 December 2009*

- Turnover up 136.8% to HK\$3,999 million
- Gross profit up 100.2% to HK\$2,172 million
- Profit attributable to owners of the Company up 254.0% to HK\$1,214 million
- Basic earnings per share up 247.6% to HK36.25 cents
- Proposed final dividend of HK3.0 cents per share

\* *for identification purposes only*

## ANNUAL RESULTS

The Board of Directors (the “Board” or “Directors”) of Sinolink Worldwide Holdings Limited (the “Company” or “Sinolink”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2009, together with the comparative figures of the corresponding year in 2008 as follows:

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 December 2009*

	<i>NOTES</i>	<b>2009</b> <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	3	<b>3,999,178</b>	1,688,807
Cost of sales		<b>(1,827,224)</b>	(603,918)
Gross profit		<b>2,171,954</b>	1,084,889
Other income		<b>106,763</b>	179,307
Selling expenses		<b>(88,236)</b>	(46,300)
Administrative expenses		<b>(111,074)</b>	(120,971)
Other expenses		<b>(8,105)</b>	(9,263)
Increase (decrease) in fair value of investment properties		<b>29,975</b>	(67,234)
Change in fair value of derivatives component of convertible bonds		<b>(216,990)</b>	–
Changes in fair value of investments held for trading		<b>(13,608)</b>	(83,623)
Share of results of associates		<b>386,681</b>	(146,546)
Finance costs	4	<b>(9,756)</b>	(4,899)
Profit before taxation	5	<b>2,247,604</b>	785,360
Taxation	6	<b>(821,011)</b>	(351,675)
Profit for the year		<b><u>1,426,593</u></b>	<u>433,685</u>
Attributable to:			
Owners of the Company		<b>1,213,800</b>	342,874
Minority interests		<b>212,793</b>	90,811
		<b><u>1,426,593</u></b>	<u>433,685</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	8		
Basic		<b><u>36.25</u></b>	<u>10.43</u>
Diluted		<b><u>36.23</u></b>	<u>10.43</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2009*

	<b>2009</b> <b><i>HK\$'000</i></b>	2008 <i>HK\$'000</i>
Profit for the year	<u><b>1,426,593</b></u>	<u>433,685</u>
Other comprehensive income		
Exchange differences arising on translation	<b>3,935</b>	188,047
Share of translation reserve of associates	<u><b>627</b></u>	<u>18,896</u>
Other comprehensive income for the year	<u><b>4,562</b></u>	<u>206,943</u>
Total comprehensive income for the year	<u><b>1,431,155</b></u>	<u><b>640,628</b></u>
Total comprehensive income attributable to:		
Owners of the Company	<b>1,217,678</b>	521,392
Minority interests	<u><b>213,477</b></u>	<u>119,236</u>
	<u><b>1,431,155</b></u>	<u><b>640,628</b></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2009*

	<i>NOTES</i>	<b>2009 HK\$'000</b>	<b>2008 HK\$'000</b>
Non-current assets			
Property, plant and equipment	9	75,878	49,180
Prepaid lease payments		114,068	5,367
Investment properties	9	978,323	863,812
Interests in associates		91,931	–
Available-for-sale investments		1,261	1,261
Loan receivable	10	2,159,198	1,793,870
		<b>3,420,659</b>	<b>2,713,490</b>
Current assets			
Stock of properties	11	1,440,723	2,617,453
Trade receivables, deposits and prepayments	12	101,368	84,737
Prepaid lease payments		1,970	94
Amounts due from associates		37,096	36,540
Investments held for trading		327,401	6,909
Pledged bank deposits		17,864	11,524
Bank balances and cash		5,377,691	2,015,916
		<b>7,304,113</b>	<b>4,773,173</b>
Current liabilities			
Trade payables, deposits received and accrued charges	13	1,046,385	986,102
Taxation payable		1,280,063	1,053,051
Borrowings – amount due within one year		440,522	140,167
Convertible bonds		702,827	–
		<b>3,469,797</b>	<b>2,179,320</b>
Net current assets		<b>3,834,316</b>	<b>2,593,853</b>
Total assets less current liabilities		<b>7,254,975</b>	<b>5,307,343</b>
Non-current liabilities			
Borrowings – amount due after one year		317,821	247,392
Deferred taxation		102,320	89,049
		<b>420,141</b>	<b>336,441</b>
		<b>6,834,834</b>	<b>4,970,902</b>
Capital and reserves			
Share capital	14	356,311	328,600
Reserves		5,712,970	4,067,525
Equity attributable to owners of the Company		<b>6,069,281</b>	<b>4,396,125</b>
Minority interests		765,553	574,777
		<b>6,834,834</b>	<b>4,970,902</b>

## NOTES

### 1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are property development, property management and property investment.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

#### **New and revised HKFRSs affecting presentation and disclosure only**

##### ***HKAS 1 (Revised 2007) presentation of financial statements***

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

***Improving disclosures about financial instruments (Amendments to HKFRS 7 financial instruments: disclosures)***

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

***Amendments to HKAS 40 investment property***

As part of Improvements to HKFRSs (2008), HKAS 40 has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value model is used and the fair values of the properties are reliably determinable). In the past, the leasehold land and building elements of properties under construction were accounted for separately in an associate of the Group which is principally engaged in property development and property investment. The associate has investment properties under construction. The application of the amendment to HKAS 40 has resulted in an increase in the Group's share of results of the associate by HK\$472 million. The increase is attributable to an increase in fair value of the associate's investment properties under construction or development (net of related tax) of HK\$472 million that has been recognised in the Group's consolidated income statement for the year ended 31 December 2009.

**3. TURNOVER AND SEGMENT INFORMATION**

**(A) Turnover**

Turnover primarily represents revenue arising on sales of properties, property management income and rental income, after deducting discounts, business tax and other sales related taxes. An analysis of the Group's revenue for the year is as follows:

	<b>2009</b> <b>HK\$'000</b>	2008 <i>HK\$'000</i>
Sales of properties	<b>3,871,426</b>	1,571,992
Property management income	<b>72,157</b>	62,271
Rental income	<b>21,726</b>	21,252
Other service income	<b>33,869</b>	33,292
	<b><u>3,999,178</u></b>	<u>1,688,807</u>

**(B) Segment information**

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

For management purposes, the Group is currently organised into the following divisions – property development, property management, property investment and others. These divisions are the basis on which the Group reports its primary segment information.

**For the year ended 31 December 2009**

	<b>Property development</b> <i>HK\$'000</i>	<b>Property management</b> <i>HK\$'000</i>	<b>Property investment</b> <i>HK\$'000</i>	<b>Others</b> <i>HK\$'000</i>	<b>Eliminations</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
TURNOVER						
External sales	3,871,426	72,157	21,726	33,869	–	3,999,178
Inter-segment sales	–	–	–	2,043	(2,043)	–
	<u>3,871,426</u>	<u>72,157</u>	<u>21,726</u>	<u>35,912</u>	<u>(2,043)</u>	<u>3,999,178</u>
RESULT						
Segment result	<u>1,978,799</u>	<u>3,492</u>	<u>49,694</u>	<u>15,942</u>	<u>–</u>	2,047,927
Other income						106,763
Unallocated corporate expenses						(53,413)
Change in fair value of derivatives component of convertible bonds						(216,990)
Changes in fair value of investments held for trading						(13,608)
Share of results of associates						386,681
Finance costs						<u>(9,756)</u>
Profit before taxation						2,247,604
Taxation						<u>(821,011)</u>
Profit for the year						<u>1,426,593</u>

For the year ended 31 December 2008

	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	1,571,992	62,271	21,252	33,292	–	1,688,807
Inter-segment sales	–	–	–	2,022	(2,022)	–
	<u>1,571,992</u>	<u>62,271</u>	<u>21,252</u>	<u>35,314</u>	<u>(2,022)</u>	<u>1,688,807</u>
RESULT						
Segment result	<u>895,054</u>	<u>2,355</u>	<u>(48,602)</u>	<u>28,104</u>	<u>–</u>	876,911
Other income						179,307
Unallocated corporate expenses						(35,790)
Changes in fair value of investments held for trading						(83,623)
Share of results of associates						(146,546)
Finance costs						<u>(4,899)</u>
Profit before taxation						785,360
Taxation						<u>(351,675)</u>
Profit for the year						<u>433,685</u>

#### 4. FINANCE COSTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest on:		
– bank borrowings wholly repayable within five years	32,077	59,574
– bank borrowings not wholly repayable within five years	1,854	–
Effective interest expense on convertible bonds	<u>6,957</u>	<u>–</u>
	40,888	59,574
Less: Amount capitalised to properties under development for sale	<u>(31,132)</u>	<u>(54,675)</u>
	<u>9,756</u>	<u>4,899</u>



## 5. PROFIT BEFORE TAXATION

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Auditors' remuneration	1,650	1,460
Stock of properties recognised as cost of sales	1,748,126	536,203
Depreciation of property, plant and equipment	5,804	7,695
Release of prepaid lease payments	94	93
and after crediting:		
Interest income (included in other income) from:		
– bank deposits	32,567	27,244
– loan receivable	69,951	142,561
– amounts due from associates	135	1,350
	<u>135</u>	<u>1,350</u>

## 6. TAXATION

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax	–	1,123
PRC Enterprise Income Tax		
– current year	348,188	136,007
– under/(over)provision in prior years	35,856	(298)
PRC land appreciation tax	423,798	227,157
	<u>807,842</u>	<u>363,989</u>
Deferred taxation	13,169	(12,314)
	<u>821,011</u>	<u>351,675</u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profit for the year. Hong Kong Profits Tax in prior year was calculated at 16.5% of the estimated assessable profit for that year.

Taxation for subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone is calculated at the rate of 20% (2008: 18%) of its assessable profits for the year ended 31 December 2009 according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

In addition, PRC land appreciation tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development. The Shenzhen local tax bureau has echoed by promulgating Shenfubanhuan [2005] No. 93 and Shendishuifa [2005], whereby among others, LAT should be seriously implemented towards sales of properties where contracts were signed on or after 1 November 2005. The management of the Group considers that it has complied with the rules of the aforementioned circulars and other official tax circulars in Shenzhen and LAT for the Group has been accrued accordingly.

## 7. DIVIDENDS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2008 final of HK\$0.020 (2008: 2007 final of HK\$0.035) per share	65,720	115,010
2009 interim of nil (2008: HK\$0.030) per share	<u>—</u>	<u>98,580</u>
	<b><u>65,720</u></b>	<b><u>213,590</u></b>

*Note:* The final dividend of HK\$0.03 per share totalling not less than HK\$106,233,000 in respect of the financial year ended 31 December 2009 has been proposed by the directors and are subject to approval by the shareholders in the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

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

	2009 HK\$'000	2008 HK\$'000
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	<u>1,213,800</u>	<u>342,874</u>
	<b>Number of shares</b>	
	2009	2008
Weighted average number of shares for the purpose of basic earnings per share	3,348,379,352	3,285,964,727
Effect of dilutive potential shares:		
Share options	<u>1,581,029</u>	<u>874,503</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>3,349,960,381</u>	<u>3,286,839,230</u>

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible loan notes since their exercise would result in an increase in earnings per share.

## 9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the year, the Group spent approximately HK\$32,940,000 (2008: HK\$8,042,000) on acquisition of property, plant and equipment.

The fair value of the Group's investment properties at 31 December 2009 and 2008 has been arrived at on the basis of a valuation carried out on the date by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, and have appropriate qualifications. The valuation of investment properties was arrived at by reference to market evidence of transaction prices for similar properties.

## 10. LOAN RECEIVABLE

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Shareholder's loan receivable	2,159,198	2,089,247
Less: Loss allocated in excess of cost of investment	—	(295,377)
	<u>2,159,198</u>	<u>1,793,870</u>

*Note:*

The amount represents shareholder's loan receivable from the Group's associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), for financing a property development project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment of the Group in RGAP. The amount is carried at amortised cost based on the estimate future cash flows that are expected to be received by the Group as well as the estimates of the timing of such receipts. The loan receivable including principal and interest is unsecured and not repayable in the foreseeable future.

The Group has reviewed the carrying amount of loan receivable and considered that this amount is fully recoverable by reference to the present value of the estimated future cash flows discounted using the effective interest rate computed at initial recognition. The directors consider that the fair value of loan receivable at the end of the reporting period approximates to the carrying amount.

## 11. STOCK OF PROPERTIES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Properties under development	675,163	475,454
Stock of properties held for sale	765,560	2,141,999
	<u>1,440,723</u>	<u>2,617,453</u>

## 12. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group allows an average credit period ranging from 0 to 60 days to its trade customers. Included in trade receivables, deposits and prepayments are trade receivables of HK\$1,909,000 (2008: HK\$1,451,000), the aged analysis of which is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
<b>Aged:</b>		
0 to 90 days	1,393	1,141
91 to 180 days	348	285
Over 181 days	168	25
	<u>1,909</u>	<u>1,451</u>

### 13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK\$391,166,000 (31.12.2008: HK\$465,447,000), receipt in advance from property sales of HK\$492,497,000 (31.12.2008: HK\$65,325,000) and consideration payable for acquisition of land of nil (31.12.2008: HK\$334,694,000). The following is an aged analysis of trade payables at the end of the reporting period:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
<b>Aged:</b>		
0 to 90 days	265,970	326,122
91 to 180 days	15,468	1,450
181 to 360 days	5,601	13,195
Over 360 days	104,127	124,680
	<u>391,166</u>	<u>465,447</u>

### 14. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Shares of HK\$0.10 each		
Authorised:		
At 1 January 2008 and 1 January 2009	4,800,000,000	480,000
Increase on 13 July 2009	1,200,000,000	120,000
<b>At 31 December 2009</b>	<b><u>6,000,000,000</u></b>	<b><u>600,000</u></b>
Issued and fully paid:		
At 1 January 2008	3,285,547,924	328,555
Issue of shares on the exercise of share options	450,000	45
At 1 January 2009	3,285,997,924	328,600
Issue of shares on the exercise of share options	3,100,000	310
Issue of shares on conversion of convertible bond	9,090,908	909
Issue of shares on the placing and subscription arrangements	290,106,000	29,010
Repurchase of shares	(25,182,000)	(2,518)
<b>At 31 December 2009</b>	<b><u>3,563,112,832</u></b>	<b><u>356,311</u></b>

Changes in the share capital of the Company during the year ended 31 December 2008 are as follows:

The Company allotted and issued a total of 450,000 shares of HK\$0.10 each for cash at the exercise prices of HK\$1.001 per share respectively as a result of exercise of share options.

Changes in the share capital of the Company during the current year are as follows:

- (a) The Company allotted and issued a total of 2,250,000 and 850,000 shares of HK\$0.10 each for cash at the exercise prices of HK\$1.001 and HK\$1.778 per share respectively as a result of exercise of share options.
- (b) During the year, convertible bonds with nominal values of HK\$10,000,000 were converted into 9,090,908 ordinary shares at a conversion price of HK\$1.10 per ordinary share.
- (c) Pursuant to a placing and subscription agreement entered by the Company on 9 October 2009, the Company allotted and issued 290,106,000 new shares of HK\$0.10 each at subscription price of HK\$1.87 per share to independent investors on 16 October 2009.
- (d) During the year ended 31 December 2009, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares	Price per share		Aggregate consideration paid
		Highest	Lowest	
November 2009	25,182,000	HK\$1.48	HK\$1.41	HK\$36,313,000

The shares repurchased by the Company during the year was cancelled.

All the shares which were issued during the year rank pari passu with the existing shares in all respects.

## BUSINESS REVIEW

Against the backdrop of the international financial crisis, the macroeconomic tightening and falling housing market, the Chinese government introduced a series of economic stimulus measures and real estate supportive policies to prevent deterioration of the economy. By March 2009, consumer confidence has fully recovered. Housing buyers resumed purchases, and prices began to pick up. Overall, the real estate market was robust in 2009, and was a pioneer in driving the economic rebound. “Tight supply” and “rising prices” have become catch phrases in China’s real estate market during the year.

For the year ended 31 December 2009, the Group’s turnover amounted to HK\$3,999 million, an increase of 136.8% compared to the same period last year. Gross profit grew by 100.2% to HK\$2,172 million. Profit attributable to owners of the Company increased by 254.0% to HK\$1,214 million. Basic earnings per share were HK\$36.25 cents, up by 247.6% compared to the same period last year.

## PROPERTY SALES

For the year ended 31 December 2009, the Group recorded a turnover of HK\$3,871 million from property sales, an increase of 146.3% compared to the same period last year. The Group sold a total gross floor area (“GFA”) of approximately 127,333 square metres during the year as compared to 52,511 square metres last year, representing an increase of 142.5%. Property sales for the year were derived from the sale of *The Mangrove West Coast* and *The Seasons*.

During the year, gross profit of property sales increased by 104.9% to HK\$2,123 million compared to HK\$1,036 million a year ago. *The Mangrove West Coast* sold a GFA of 50,669 square metres, an increase of 519.8% compared to the same period last year. The average selling price was RMB33,898 per square metre, representing a decrease of 30.1% compared to the same period last year due to selling of the lower floors. *The Seasons* sold a GFA of 76,664 square metres, an increase of 72.9%. The average selling price was RMB24,615 per square metre, up by 1.4% compared to the same period last year.

## PROPERTY RENTAL

For the year ended 31 December 2009, total rental income was HK\$22 million, representing an increase of 2.2% compared to the same period last year.

On 21 August 2009, a marketing conference for *The Vi City* featuring various brands was successfully held in The Mangrove West Coast Clubhouse. Subsequent leasing of *The Vi City* has been progressing smoothly. *The Vi City* is positioned as a lifestyle shopping center focusing on major themes including fashion, family and cuisine. Of the tenant-mix, food outlets will account for 30%, retail for 50%, and other complementary facilities (including cinemas) for 20%.

As at 31 December 2009, *The Vi City* has entered into tenancy agreements for 72% of its available space, drawing in more than 104 corporations and retailers as tenants including MCL Cinema, Starbucks, and Fundoland. *The Vi City* is scheduled to be officially opened in April 2010.

## PROPERTIES UNDER DEVELOPMENT

As at 31 December 2009, the Group has the following properties under development:

- (1) The hotel and office complex of Sinolink Garden Phase Five, *Sinolink Tower*, located in Luowu district in Shenzhen, has a GFA of 50,000 square metres. The property is under construction and is expected to be completed by 2011 and commence operation in 2012.
- (2) *Rockbund*, located on the Bund in Shanghai, is a joint development project with the Rockefeller Group International Inc. The project has a total site area of 18,000 square metres and total GFA of 94,080 square metres. The Group intends to redevelop this historical site into an upscale mixed-use neighborhood, with residential, commercial, retail, offices and cultural facilities. This development project is currently under restoration and pre-construction works and most of the preserved heritage buildings will be launched into the market to coincide with the Shanghai World Expo in 2010.

- (3) A new parcel of land in Shanghai located at Changning District is presently under planning and pre-construction works. It is one of the most accessible areas in the municipality of Shanghai and one of the luxury residential districts in Shanghai. The land is situated in a low density neighbourhood with luxury residential properties developed in the area, and is conveniently located being approximately 10 minutes from the Hongqiao airport and approximately 30 minutes from the city centre by car.

To be named *Ningguo Mansions*, this 13,599.6 square metre site with a plot ratio of 1.0 at Kaifong 240 of Changning District will be designed by the British architecture design company, David Chipperfield Architects for the construction and decoration design of the project. *Ningguo Mansions* obtained approval for project design on 29 December 2009 and the advanced design has also been completed. Civil works are scheduled to be completed by 2010, and application for pre-sale permits is planned by the end of 2010.

## **MAJOR ASSOCIATE**

The Group's major associate, Rockefeller Group Asia Pacific, Inc., recorded positive results during the year under review and contributed HK\$387 million to the Group's profit as compared to the contributed loss of HK\$147 million to the Group in prior year. The significant growth in the Group's share of results in associate was due to the increase in fair value of the associate's investment properties under construction or development. With the application of the amendment to HKAS 40, the associate's investment properties under construction or development, which was originally stated at cost, was required to be measured at fair value and has resulted in an increase in the Group's share of results of the associate.

## **OTHER BUSINESSES**

Other businesses within the Group include property, facilities and project management provided by the Group's property management division. For the year ended 31 December 2009, the Group recorded revenue from other businesses of HK\$106 million, representing an increase of 10.9% compared to the same period last year.

## **PROSPECTS**

China's real estate market on the whole is expected to develop stably with healthy adjustments in 2010. From the macroeconomic perspective, the Chinese economy is improving and gaining further momentum to sustain growth. From the policies perspective, the central government has resolved to maintain a stable and continual macroeconomic policy and to continue implementing an active fiscal policy and a moderately loose monetary policy. From the market perspective, with demand being strong and inventory staying at historic lows, it is believed that market risks are not significant. Based on these perspectives, sustainable growth should be seen in China's real estate market. The series of government macro-control policies being introduced may lead to short-term adjustments and volatility in the market. However, we remain fully confident about the outlook of China's real estate development.



## **FINANCIAL REVIEW**

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings increased from HK\$388 million as at 31 December 2008 to HK\$1,167 million as at 31 December 2009. The total borrowings as at 31 December 2009 included bank loans of HK\$758 million and liability component of the convertible bonds of HK\$409 million. New banking facilities and loans amounting to HK\$50 million and RMB450 million were obtained while loans amounted to HK\$50 million and RMB124 million were repaid. Gearing ratio as at 31 December 2009, calculated on the basis of total borrowings over shareholders' equity was 19.2% as compared to 8.8% as at 31 December 2008. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing these loans have a carrying value of HK\$407 million as at 31 December 2009. The borrowings of the Group are denominated in RMB and HKD. 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 rates movement on the Group.

The Group's cash and cash equivalents amounted to HK\$5,396 million (including pledged deposits) as at 31 December 2009 and are mostly denominated in RMB, HKD and USD.

## **CONVERTIBLE BONDS**

On 13 June 2009, the Company entered into a placing agreement ("Placing Agreement") with an independent placing agent ("Placing Agent") by which the Company has agreed to appoint the Placing Agent to procure, on a best-efforts basis, subscription of the convertible bonds of the Company ("Convertible Bonds") subject to and upon the terms and conditions contained in the Placing Agreement and the shareholders' approval as detailed in the Company's circular dated 25 June 2009. The Placing Agreement, the creation and issue of the Convertible Bonds and the increase in the authorized share capital of the Company from HK\$480 million divided into 4,800 million ordinary shares with a par value of HK\$0.10 each to HK\$600 million divided into 6,000 million shares were approved by the shareholders of the Company in a special general meeting on 13 July 2009.

The Convertible Bonds are convertible into the new shares of the Company ("Share(s)") at a conversion price of HK\$1.10 per Share and may be converted at any time from the issue date up to the third anniversary of the date of allotment and issue of the relevant amount the Convertible Bonds to the relevant placees. The maximum principal amount of the face value of the Convertible Bonds amounted to HK\$500 million. All the conditions precedent to completion of the Placing Agreement were fulfilled on 28 September 2009 and the Convertible Bonds in the principal amount of HK\$500 million were issued and successfully placed to not less than 6 placees on the same date.

Pursuant to Hong Kong Accounting Standards, the Convertible Bonds issued by the Company should be valued based on the market fair value. By reference to professional valuations conducted by an independent valuer, a fair value loss of HK\$217 million was recognised by the Group for the year on the change in fair value of the Convertible Bonds.

## **PLACING OF SHARES**

On 9 October 2009, the Company and UBS AG entered into a placing agreement pursuant to which 290,106,000 Shares were placed at HK\$1.87 per Share which represents a discount of approximately 8.3% to the closing price per Share quoted on the Stock Exchange on 9 October 2009 and a discount of approximately 6.5% over the average closing price of HK\$2.00 per Share quoted on the Stock Exchange on the last five trading days. The Company intends to use the estimated net proceeds of approximately HK\$525 million as working capital of the Company.

## **COMMITMENTS**

As at 31 December 2009, the Group has commitments in respect of the properties under development on stock of properties and capital commitment in respect of properties under constructions amounted to HK\$123 million and HK\$483 million respectively; and committed funding to investment projects amounted to HK\$78 million.

## **CONTINGENT LIABILITIES**

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$107 million.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board has recommended the payment of a final dividend for the year ended 31 December 2009 of HK\$0.03 per Share (2008: HK\$0.02) of HK\$0.10 each in the capital of the Company amounting to not less than HK\$106,233,000 to shareholders whose names appear on the register of members of the Company on Tuesday, 1 June 2010. Upon approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Tuesday, 1 June 2010, the final dividend will be paid on or before Monday, 14 June 2010.

The register of members of the Company will be closed from Wednesday, 26 May 2010 to Tuesday, 1 June 2010, both days inclusive, during which period no share transfer will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 25 May 2010.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2009, the Group employed approximately 1,006 full time employees for its principal activities. 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 scheme adopted by the Group.

## PURCHASES, SALE OR REDEMPTION OF LISTED SHARES

During the year, the Company repurchased 25,182,000 shares on the Stock Exchange at an aggregate consideration of HK\$36,313,400. All of the shares were subsequently cancelled.

Month of repurchase	Number of shares repurchased	Price per Share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
November 2009	25,182,000	1.48	1.41	36,313,400

The reason for the repurchases of shares was for the enhancement of shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2009.

## CORPORATE GOVERNANCE

During the year, the Company complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 December 2009, all Directors have complied with the required standard set out in the Model Code.

## AUDIT COMMITTEE

The Company has an audit committee ("Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors. The members of the Audit Committee are Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin. The Audit Committee meets regularly with the Company's senior management and the Company's auditors to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the year ended 31 December 2009 had been audited by the Company's auditor, Deloitte Touche Tohmatsu, and had been reviewed by the Audit Committee.

## **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  
**Sinolink Worldwide Holdings Limited**  
**Ou Yaping**  
*Chairman*

Hong Kong, 8 April 2010

*As at the date of this announcement, the Board comprises Mr. Ou Yaping (Chairman), Mr. Tang Yui Man Francis (Chief Executive Officer) and Mr. Chen Wei as Executive Directors and Mr. Law Sze Lai and Mr. Li Ningjun as Non-executive Directors and Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin as Independent non-executive Directors.*