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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)

2010 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2010

- Turnover down 37.4% to HK\$908.2 million
- Gross Profit down 42.9% to HK\$486.6 million
- Profit attributable to owners of the Company up 3.1% to HK\$513.4 million
- Basic Earnings Per Share down 4.5% to HK14.48 cents

* *for identification purpose only*

INTERIM RESULTS

The Board of Directors (the “Board” or “Directors”) of Sinolink Worldwide Holdings Limited (the “Company” or “Sinolink”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2010, together with the comparative figures of the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

	NOTES	Six months ended 30.6.2010 HK\$'000 (unaudited)	30.6.2009 HK\$'000 (unaudited)
Turnover	3	908,206	1,449,942
Cost of sales		<u>(421,558)</u>	<u>(597,077)</u>
Gross profit		486,648	852,865
Other income		196,208	14,403
Selling expenses		(12,804)	(17,970)
Administrative expenses		(63,279)	(54,023)
Increase in fair value of investment properties	9	123,692	—
Change in fair value of derivatives component of convertible bonds	14	140,272	—
Changes in fair value of investments held for trading		(63,102)	601
Share of results of associates		5,847	102,966
Finance costs	4	<u>(15,101)</u>	<u>(1,474)</u>
Profit before taxation		798,381	897,368
Taxation	5	<u>(224,928)</u>	<u>(323,624)</u>
Profit for the period	6	<u>573,453</u>	<u>573,744</u>
Attributable to:			
Owners of the Company		513,427	498,081
Non-controlling interests		<u>60,026</u>	<u>75,663</u>
		<u>573,453</u>	<u>573,744</u>
		HK cents	HK cents
Earnings per share	8		
Basic		<u>14.48</u>	<u>15.16</u>
Diluted		<u>9.68</u>	<u>15.16</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	<u>573,453</u>	<u>573,744</u>
Other comprehensive income		
Exchange differences arising on translation	71,598	(578)
Share of translation reserve of associates	<u>6,720</u>	<u>(140)</u>
Other comprehensives income for the period	<u>78,318</u>	<u>(718)</u>
Total comprehensive income for the period	<u><u>651,771</u></u>	<u><u>573,026</u></u>
Total comprehensive income attributable to:		
Owners of the Company	583,481	497,446
Non-controlling interests	<u>68,290</u>	<u>75,580</u>
	<u><u>651,771</u></u>	<u><u>573,026</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2010

	<i>NOTES</i>	30.6.2010 HK\$'000 (unaudited)	31.12.2009 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment	9	119,196	75,878
Prepaid lease payments		114,291	114,068
Investment properties	9	1,448,169	978,323
Interests in associates		98,346	91,931
Available-for-sale investments		3,081	1,261
Loan receivable	10	<u>2,331,039</u>	<u>2,159,198</u>
		<u>4,114,122</u>	<u>3,420,659</u>
Current assets			
Stock of properties	11	877,865	1,440,723
Trade receivables, deposits and prepayments	12	173,365	101,368
Prepaid lease payments		2,018	1,970
Amounts due from associates		55,357	37,096
Investments held for trading		449,390	327,401
Pledged bank deposits		6,719	17,864
Bank balances and cash		<u>4,942,943</u>	<u>5,377,691</u>
		<u>6,507,657</u>	<u>7,304,113</u>
Current liabilities			
Trade payables, deposits received and accrued charges	13	715,479	1,046,385
Taxation payable		1,381,438	1,280,063
Borrowings - amount due within one year		157,339	440,522
Convertible bonds	14	<u>575,926</u>	<u>702,827</u>
		<u>2,830,182</u>	<u>3,469,797</u>
Net current assets		<u>3,677,475</u>	<u>3,834,316</u>
Total assets less current liabilities		<u>7,791,597</u>	<u>7,254,975</u>

	<i>NOTE</i>	30.6.2010 <i>HK\$'000</i> (unaudited)	31.12.2009 <i>HK\$'000</i> (audited)
Non-current liabilities			
Borrowings - amount due after one year		321,101	317,821
Deferred taxation		<u>139,975</u>	<u>102,320</u>
		<u>461,076</u>	<u>420,141</u>
		<u>7,330,521</u>	<u>6,834,834</u>
Capital and reserves			
Share capital	15	354,111	356,311
Reserves		<u>6,165,372</u>	<u>5,712,970</u>
Equity attributable to owners of the Company		6,519,483	6,069,281
Non-controlling interests		<u>811,038</u>	<u>765,553</u>
		<u>7,330,521</u>	<u>6,834,834</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 investment and property management.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) - INT 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for change in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim periods in which HKFRS3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Result of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosure ⁴
HKAS 32 (Amendment)	Classification of Right Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for first-time adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) - INT 14 (Amendment)	Prepayments of a minimum funding requirement ⁴
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instrument ³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January 2011

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by operating segment for the period under review:

Six months ended 30 June 2010

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	829,611	17,230	41,660	19,705	—	908,206
Inter-segment sales	—	—	—	1,026	(1,026)	—
	<u>829,611</u>	<u>17,230</u>	<u>41,660</u>	<u>20,731</u>	<u>(1,026)</u>	<u>908,206</u>
SEGMENT RESULT	<u>413,653</u>	<u>139,829</u>	<u>5,540</u>	<u>7,976</u>	<u>—</u>	566,998
Interest income						194,870
Other income						1,338
Unallocated corporate expenses						(32,741)
Changes in fair value of investments held for trading						(63,102)
Share of results of associates						5,847
Changes in fair value of derivatives component of convertible bonds						140,272
Finance costs						<u>(15,101)</u>
Profit before taxation						<u>798,381</u>

Six months ended 30 June 2009

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	1,395,403	9,369	32,866	12,304	—	1,449,942
Inter-segment sales	—	—	—	1,022	(1,022)	—
	<u>1,395,403</u>	<u>9,369</u>	<u>32,866</u>	<u>13,326</u>	<u>(1,022)</u>	<u>1,449,942</u>
SEGMENT RESULT	<u>784,334</u>	<u>8,790</u>	<u>999</u>	<u>7,972</u>	<u>—</u>	802,095
Other income						14,403
Unallocated corporate expenses						(21,223)
Changes in fair value of investments held for trading						601
Share of results of associates						102,966
Finance costs						<u>(1,474)</u>
Profit before taxation						<u>897,368</u>

Segment result represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, investment revenue, change in fair value of derivatives component of convertible bonds and finance costs. This is the measure reported to Chief Executive Officer ("CEO"), the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the CEO for review.

4. FINANCE COSTS

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Interest on bank borrowings:		
– wholly repayable within five years	7,426	15,777
– not wholly repayable within five years	6,096	—
Effective interest expense on convertible bonds	<u>13,371</u>	<u>—</u>
	26,893	15,777
Less: Amount capitalised to properties under development for sale	<u>(11,792)</u>	<u>(14,303)</u>
	<u>15,101</u>	<u>1,474</u>

5. TAXATION

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	95,685	136,819
PRC land appreciation tax	<u>92,645</u>	<u>181,130</u>
	188,330	317,949
Deferred taxation	<u>36,598</u>	<u>5,675</u>
	<u>224,928</u>	<u>323,624</u>

No provision for Hong Kong Profits Tax was made in this period as the Group has no assessable profit derived from Hong Kong for the period.

Taxation for subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone is calculated at the rate of 22% (2009: 20%) of its assessable profits for the six months ended 30 June 2010.

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.

6. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	2,765	3,381
Release of prepaid lease payments	989	47
and after crediting:		
Interest income (included in other income) from:		
- bank deposits	23,029	12,605
- loan receivable	171,841	—
- amount due from an associate	<u>—</u>	<u>135</u>

7. DIVIDENDS

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
2009 final, paid - HK3.0 cents (2009: 2008 final, paid - HK2.0 cents) per share	<u>106,233</u>	<u>65,720</u>

The directors do not declare the payment of an interim dividend in respect of six months ended 30 June 2010 (six month ended 30 June 2009: nil).

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:

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company	513,427	498,081
Effect of dilutive potential ordinary shares:		
Change in fair value of derivative component of convertible bonds	(140,272)	—
Interest on convertible bonds	13,371	—
Earnings for the purpose of diluted earnings per share	<u>386,526</u>	<u>498,081</u>
	Number of shares	
	30.6.2010	30.6.2009
Weighted average number of shares for the purpose of basic earnings per share	3,545,433,274	3,285,997,924
Effect of dilutive potential ordinary shares:		
Share options	2,950,530	—
Convertible bonds	<u>445,454,546</u>	<u>—</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>3,993,838,350</u>	<u>3,285,997,924</u>

The computation of diluted earnings per share for 2009 interim period does not assume the exercise of the Company's outstanding options because the exercise price of the Company's options was higher than the average market price for shares for the six months ended 30 June 2009.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group spent approximately HK\$45,337,000 (six months ended 30 June 2009: HK\$1,534,000) on property, plant and equipment which included additions of property under development of HK\$42,847,000 (six months ended 30 June 2009: nil), and HK\$28,564,000 (six months ended 30 June 2009: nil) on investment properties under construction respectively.

The fair values of the Group's completed investment properties at 30 June 2010 and 31 December 2009 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, who have appropriate qualifications. The valuation was performed using the direct comparison method by reference to market evidence of transaction prices for similar properties in the similar locations and conditions.

Stock of completed properties with carrying value of HK\$306,792,000 (six months ended 30 June 2009: nil) was transferred to investment properties when there was commencement of an operating lease to another party during the period. The difference between the fair value of these properties at the end of the reporting period and its previous carrying amount, amounting to approximately HK\$123,692,000 (six months ended 30 June 2009: nil), was recognised in condensed consolidated income statement and presented as increase in fair value of investment properties.

Change in fair value of investment properties in the current period is HK\$123,692,000 (six months ended 30 June 2009: nil).

10. LOAN RECEIVABLE

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Shareholder's loan receivable	<u>2,331,039</u>	<u>2,159,198</u>

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 estimated 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.

11. STOCK OF PROPERTIES

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Properties under development	650,452	675,163
Completed properties held for sale	<u>227,413</u>	<u>765,560</u>
	<u>877,865</u>	<u>1,440,723</u>

Stock of properties were stated at cost.

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\$2,883,000 (31.12.2009: HK\$1,909,000), the aged analysis of which is as follows:

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Aged:		
0 to 90 days	2,041	1,393
91 to 180 days	466	348
Over 181 days	<u>376</u>	<u>168</u>
	<u>2,883</u>	<u>1,909</u>

13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK\$364,461,000 (31.12.2009: HK\$391,166,000) and receipt in advance from property sales of HK\$42,919,000 (31.12.2009: HK\$492,497,000).

The following is an aged analysis of trade payables at the end of the reporting period:

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Aged:		
0 to 90 days	292,226	265,970
91 to 180 days	1,990	15,468
181 to 360 days	13,498	5,601
Over 360 days	<u>56,747</u>	<u>104,127</u>
	<u>364,461</u>	<u>391,166</u>

14. CONVERTIBLE BONDS

On 28 September 2009, the Company issued the three-year zero coupon convertible bonds at par with a nominal value of HK\$500,000,000 to independent third parties. The convertible bonds are denominated in Hong Kong dollars. The bonds entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bonds and their settlement date on 28 September 2012 ("Maturity Date") at a conversion price of HK\$1.10 per ordinary share. If the bonds have not been converted, they will be redeemed on Maturity Date at par.

During the year ended 31 December 2009, convertible bonds with a nominal value of HK\$10,000,000 were converted by the bondholders into 9,090,908 ordinary shares at a conversion price of HK\$1.10 per ordinary share. There was no conversion of convertible bonds noted during the period.

The convertible bonds contain two components, liability component and conversion and early redemption option derivatives component. The conversion and early redemption option derivatives are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the liability component and conversion and early redemption option derivatives component of the convertible bonds for the period is set out as below:

	Carrying amount			
	Principal amount HK\$'000	Liability component HK\$'000	Conversion and early redemption option derivatives HK\$'000	Total HK\$'000
At 1 January 2010	490,000	408,546	294,281	702,827
Interest charge	—	13,371	—	13,371
Change in fair value	—	—	(140,272)	(140,272)
At 30 June 2010	<u>490,000</u>	<u>421,917</u>	<u>154,009</u>	<u>575,926</u>

The estimate of the fair value of the conversion and early redemption option derivatives is measured based on the binomial option pricing model. Details of the assumptions of conversion and early redemption option derivatives are as follows:

Date of valuation	30.6.2010	31.12.2009
Share price (HK\$)	1.120	1.480
Exercise price (HK\$)	1.100	1.100
Expected volatility (expressed as a weighted average volatility used in the modeling under binomial option pricing model)	47.94%	43.81%
Maturity period	2.2 years	2.7 years
Conversion period	2.2 years	2.7 years

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Shares of HK\$0.10 each		
Authorised:		
At 1 January 2010 and 30 June 2010	<u>4,800,000,000</u>	<u>480,000</u>
Issued and fully paid:		
At 1 January 2010	3,563,112,832	356,311
Repurchase of shares	<u>(22,000,000)</u>	<u>(2,200)</u>
At 30 June 2010	<u>3,541,112,832</u>	<u>354,111</u>

During the six months ended 30 June 2010, 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 <i>HK\$'000</i>
		Highest	Lowest	
January 2010	20,000,000	HK\$1.33	HK\$1.29	26,303
February 2010	<u>2,000,000</u>	HK\$1.34	HK\$1.32	<u>2,653</u>
	<u>22,000,000</u>			<u>28,956</u>

The shares repurchased by the Company during the period were cancelled.

16. RELATED PARTY TRANSACTIONS

Save as disclosed in condensed consolidated statement of financial position and note 10 to the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

Name of related party	Nature of transaction	Notes	Six months ended	
			30.6.2010 <i>HK\$'000</i>	30.6.2009 <i>HK\$'000</i>
RGAP	Interest income on loan receivable	a	171,841	—
	Interest income on advances		—	135
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. (“Shanghai Rockefeller”)	Project management fee income	a	13,098	13,098
Ms. Cheung Loi Ping	Sales of properties	b	3,490	—
Enerchina Holdings Limited (“Enerchina”)	Rental and other fees received	c	<u>1,689</u>	<u>1,689</u>

Notes:

- (a) RGAP and Shanghai Rockefeller are associates of the Group.
- (b) Ms. Cheung Loi Ping is the wife of Mr. Ou Yaping, a director and a substantial shareholder of the Company.
- (c) Enerchina is a related party to the Group as Mr. Ou Yaping, a director and a substantial shareholder of the Company is also a director and a substantial shareholder of Enerchina.

During the period, the total emoluments of directors of key management personnel were HK\$10,443,000 (six months ended 30 June 2009: HK\$9,216,000).

17. CONTINGENT LIABILITIES

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	<u>97,659</u>	<u>106,622</u>

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts were not significant as at 30 June 2010 and 31 December 2009 and it is not probable that the counter parties would default on the relevant loans.

18. COMMITMENTS

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Commitments in respect of stock of properties under development:		
- contracted for but not provided in the condensed consolidated financial statements	<u>13,239</u>	<u>13,075</u>
- authorised but not contracted for	<u>128,586</u>	<u>110,355</u>
Committed funding to an investment fund	<u>77,500</u>	<u>77,500</u>
Capital commitments in respect of other properties under constructions:		
- contracted for but not provided in the condensed consolidated financial statements	<u>109,754</u>	<u>117,244</u>
- authorised but not contracted for	<u>236,953</u>	<u>366,098</u>

19. PLEDGE OF ASSETS

At 30 June 2010, bank deposits of HK\$6,719,000 (31.12.2009: HK\$17,864,000); and investment properties with an aggregate carrying amount of HK\$393,349,000 (31.12.2009: HK\$389,330,000) were pledged to banks to secure general banking facilities granted to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of the year, government policies played a dominant role in charting the course of the PRC's real estate market. Following the Central Economic Work Conference held in December 2009, a series of macro-control policies targeting the property sector were introduced. The tightening measures, such as increasing the down payment and mortgage rates for second-home buyers, imposing deadlines for some state companies to retreat from the property sector, and tightening the collection of land appreciation tax, all have had a significant impact on the PRC's real estate market. Both property prices and trading volumes in major cities spiraled down in the face of the macro-control policies.

For the six months ended 30 June 2010, the Group's turnover amounted to HK\$908.2 million, a decrease of 37.4% compared to the same period last year. Gross profit dropped by 42.9% to HK\$486.6 million. Profit attributable to owners of the Company increased by 3.1% to HK\$513.4 million. Basic earnings per share were HK14.48 cents, dropped by 4.5% compared to the same period last year.

Property Sales

Against the background of the state's macro-control policies on the property market, the Group by formulating effective sales strategies for the remaining units of *The Seasons* and *The Mangrove West Coast* has successfully maintained their selling prices at satisfactory levels.

For the period under review, the Group recorded a turnover of HK\$829.6 million from property sales, a decrease of 40.5% compared to the same period last year. The Group sold a total gross floor area ("GFA") of approximately 22,484 square metres during the period, which was 52.3% less compared to 47,182 square metres for the same period last year.

During the period, gross profit of property sales dropped by 45.5% to HK\$455.8 million compared to HK\$836.6 million a year ago. *The Mangrove West Coast* sold a total GFA of 11,644 square metres, with average selling price of RMB41,075 per square metre. *The Seasons* sold a total GFA of 10,840 square metres, with average selling price of RMB27,752 per square metre.

Property Rental

For the six months ended 30 June 2010, total rental income was HK\$17.2 million, up by 83.9% compared to the same period last year. The increase was mainly attributable to the opening of *The Vi City*, a shopping complex with a GFA of 39,434 square metres.

Officially opened in April 2010, *The Vi City* targets families in the area particularly middle-class families with strong consumption power and stable relationship, catering for their shopping and leisure needs as well as their aspirations for higher quality of living.

With the opening of *The Vi City*, the Group's leasing portfolio now comprises retail space of 62,771 square metres and 3,292 parking spaces.

Opening of the Rockbund Art Museum

In May 2010, the Rockbund Art Museum ("RAM") was officially opened at the former site of the Shanghai Museum with an exhibition titled "Cai Guo-Qiang: Peasant Da Vincis", marking the commencement of operation of some of the preserved heritage buildings under the *Rockbund* project.

With the second Shanghai Fine Jewellery and Art Fair also held at the *Rockbund* in May 2010, together with other seminars and educational activities held by the RAM in the premises, the *Rockbund* has gained strong and wide publicity in local and international media, which not only increased the traffic flow in the *Rockbund* but also greatly enhanced its reputation and brand status in the market.

Coinciding with the PRC's first-time hosting of the World Expo in 2010, the formal opening of the RAM and the commencement of the project's preserved heritage buildings represented prime models for many PRC cities facing the issues of preserving and enhancing cultural and historical sites.

Properties Under Development

As at 30 June 2010, the Group has the following properties under development:

- (1) *Sinolink Tower*, the hotel and office complex of Sinolink Garden Phase Five, located in Luowu district in Shenzhen, has a GFA of 50,000 square metres comprising 30,000 square metres of hotel space and 20,000 square metres of office space. 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. The preserved heritage buildings under this development project have commenced operations since May 2010, and the whole project is expected to be completed in 2012.

- (3) *Ningguo Mansions*, the 13,599.6 square metre site with a plot ratio of 1.0 at Kaifong 240 of Changning District in Shanghai, will be developed into 11 quadrate court houses, each with a GFA of 1,000 to 1,500 square metres. David Chipperfield Architects, a British architecture design company, will be responsible for the construction and decoration design of the project.

New project development

With more macro-control policies being introduced, we expect the Mainland's overheated real estate market to cool down in the second half of 2010 amidst consolidations and adjustments. We will continue to keep abreast with the governing policies and development trends in the real estate market through in-depth research and close monitoring, in order to seize the opportunities arising from the macro-control policies and market consolidations. We will continue to strengthen our market development and strive to acquire projects with good potential that meet our risk and return profiles.

MAJOR ASSOCIATE

The Group's major associate, Rockefeller Group Asia Pacific, Inc., contributed HK\$5.8 million to the Group's profit for the period under review, a decrease of 94.3% compared to the same period last year. The decrease in the Group's share of results in the associate was due to the change in the fair value of the associate's properties.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management provided by the Group's property management division. For the period ended 30 June 2010, the Group recorded revenue from other businesses of HK\$61.4 million, representing an increase of 35.9% compared to the same period last year.

PROSPECTS

Judging by the economic conditions in the PRC and abroad, the second half of the year is likely to be a period of observation as governments keep watchful eyes on the results of the policies. We expect the real estate markets in some regions to face consolidations and changes in housing prices and trading volumes in the second half. The overall real-estate market may experience a period of sluggishness. However, as housing prices fall, they may provide a catalyst to the recovery of the real estate market supported by the pent-up demand shored during the period of observation and home-owners' desire to improve living conditions.

We will closely monitor the impact of government macro-control policies on the real estate market. Moreover, we will seize any opportunities that may arise from market adjustments to timely increase our land bank. All in all, we remain fully confident about the medium to long-term outlook of the PRC'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 decreased from HK\$1,167 million as at 31 December 2009 to HK\$900 million as at 30 June 2010. The total borrowings as at 30 June 2010 included bank loans of HK\$478 million and liability component of the convertible bonds of HK\$422 million. During the period under review, loans amounted to HK\$287 million were repaid. Gearing ratio as at 30 June 2010, calculated on the basis of total borrowings over shareholders' equity was 13.8% compared to 19.2% as at 31 December 2009. The Group was 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\$400 million as at 30 June 2010. The borrowings of the Group are denominated in RMB and Hong Kong dollars. 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\$4,950 million (including pledged deposits) as at 30 June 2010 and are mostly denominated in RMB, Hong Kong dollars and US dollars.

CAPITAL COMMITMENTS

As at 30 June 2010, the Group has capital commitments in respect of the stock of properties under development and other properties under construction amounted to HK\$142 million and HK\$347 million respectively; and committed funding to investment projects amounted to HK\$77.5 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\$97.7 million.

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2010 (2009: NIL).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group employed approximately 896 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 period, the Company repurchased 22,000,000 shares on the Stock Exchange at an aggregate consideration of HK\$28,956,020. 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\$	
January 2010	20,000,000	1.33	1.29	26,302,900
February 2010	2,000,000	1.34	1.32	2,653,120

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 period ended 30 June 2010.

CORPORATE GOVERNANCE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the 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 six months ended 30 June 2010, 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. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditor to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2010 had not been audited, but had been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu and 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
TANG Yui Man Francis
Chief Executive Officer

Hong Kong, 24 August 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.