百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2010 FINAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2010

- Turnover down 68.0% to HK$1,281 million
- Gross Profit down 63.8% to HK$787 million
- Profit attributable to owners of the Company down 53.8% to HK$560 million
- Basic Earnings Per Share down 56.4% to HK15.81 cents

* *for identification purposes only*

ANNUAL RESULTS

The Board of Directors (the "Board" or "Directors") of Sinolink Worldwide Holdings Limited (the "Company" or "Sinolink") announces the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2010, together with the comparative figures of the corresponding year in 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	NOTES	2010 HK$'000	2009 HK$'000
Turnover	3	**1,280,936**	3,999,178
Cost of sales		**(493,635)**	(1,827,224)
Gross profit		**787,301**	2,171,954
Other income		**62,017**	106,763
Selling expenses		**(19,722)**	(88,236)
Administrative expenses		**(143,394)**	(111,074)
Other expenses		**(145,840)**	(8,105)
Increase in fair value of investment properties		**150,291**	29,975
Gain (loss) on derivatives component of convertible bonds		**202,856**	(216,990)
Changes in fair value of investments held for trading		**25,323**	(13,608)
Share of results of associates		**13,301**	386,681
Finance costs	4	**(30,916)**	(9,756)
Profit before taxation	5	**901,217**	2,247,604
Taxation	6	**(262,283)**	(821,011)
Profit for the year		**638,934**	1,426,593
Attributable to:			
Owners of the Company		**560,317**	1,213,800
Non-controlling interests		**78,617**	212,793
		638,934	1,426,593
		HK cents	HK cents
Earnings per share	8		
Basic		**15.81**	36.25
Diluted		**9.67**	36.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**638,934**	1,426,593
Other comprehensive income		
Exchange differences arising on translation	**152,777**	3,935
Share of translation reserve of associates	**5,697**	627
Other comprehensive income for the year	**158,474**	4,562
Total comprehensive income for the year	**797,408**	1,431,155
Total comprehensive income attributable to:		
Owners of the Company	**690,094**	1,217,678
Non-controlling interests	**107,314**	213,477
	797,408	1,431,155

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	NOTES	**2010** **HK$'000**	2009 *HK$'000*
Non-current assets			
Property, plant and equipment	*9*	**151,403**	75,878
Prepaid lease payments		**116,051**	114,068
Investment properties	*9*	**1,518,895**	978,323
Interests in associates		**110,929**	91,931
Available-for-sale investments		**1,261**	1,261
Amount due from an investee company		**1,820**	–
Loan receivable	*10*	**2,021,078**	2,159,198
		3,921,437	3,420,659
Current assets			
Stock of properties	*11*	**786,179**	1,440,723
Trade and other receivables, deposits and prepayments	*12*	**203,489**	101,368
Prepaid lease payments		**2,039**	1,970
Amounts due from associates		**57,140**	37,096
Investments held for trading		**547,563**	327,401
Pledged bank deposits		**1,633**	17,864
Bank balances and cash		**4,915,904**	5,377,691
		6,513,947	7,304,113
Current liabilities			
Trade payables, deposits received and accrued charges	*13*	**580,744**	1,046,385
Taxation payable		**1,424,188**	1,280,063
Borrowings - amount due within one year		**158,754**	440,522
Convertible bonds		**377,641**	702,827
		2,541,327	3,469,797
Net current assets		**3,972,620**	3,834,316
Total assets less current liabilities		**7,894,057**	7,254,975
Non-current liabilities			
Borrowings - amount due after one year		**270,271**	317,821
Deferred taxation		**147,785**	102,320
		418,056	420,141
		7,476,001	6,834,834
Capital and reserves			
Share capital	*14*	**354,111**	356,311
Reserves		**6,271,985**	5,712,970
Equity attributable to owners of the Company		**6,626,096**	6,069,281
Non-controlling interests		**849,905**	765,553
		7,476,001	6,834,834

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 consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

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 HKICPA.

HKFRS 3 (as revised in 2008)	Business combinations
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners
HK - INT 5	Presentation of financial statements - Classification by the borrower of a term loan that contains a repayment on demand clause

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

HKFRS 3 (as revised in 2008) Business combinations and HKAS 27 (as revised in 2008) Consolidated and separate financial statements

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 changes 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 year in which HKFRS 3 (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 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.

Hong Kong Interpretation 5 Presentation of financial statements - Classification by the borrower of a term loan that contains a repayment on demand clause

Hong Kong Interpretation 5 "Presentation of financial statements - Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK INT 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK INT 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK INT 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK INT 5, term loans with a repayment on demand clause are classified as current liabilities. As at 31 December 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK$100,000,000 have been classified as current liabilities. This change in accounting policy did not have any impact on the consolidated statement of financial position as at 31 December 2009 as bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK$100,000,000 has been classified as current liabilities as at 31 December 2009 in accordance with the scheduled repayment date due within one year after 31 December 2009. The application of HK INT 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities.

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 issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures - Transfers of financial assets[2]
HKFRS 9	Financial Instruments[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of underlying assets[4]
HKAS 24 (as revised in 2009)	Related party disclosures[5]
HKAS 32 (Amendments)	Classification of rights issues[6]
HK(IFRIC) - INT 14 (Amendments)	Prepayments of a minimum funding requirement[5]
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments[7]

1 *Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate*
2 *Effective for annual periods beginning on or after 1 July 2011*
3 *Effective for annual periods beginning on or after 1 January 2013*
4 *Effective for annual periods beginning on or after 1 January 2012*
5 *Effective for annual periods beginning on or after 1 January 2011*
6 *Effective for annual periods beginning on or after 1 February 2010*
7 *Effective for annual periods beginning on or after 1 July 2010*

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the application of HKFRS 9 may have impact on the amounts reported in respect of the Group's available-for-sale investments which are currently stated at cost less impairment and will be measured at fair value upon adoption.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The amendments to HKAS 12 "Deferred tax: Recovery of underlying assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties located in the PRC that are measured using the fair value model. If the presumption under the amendments is not rebutted, the deferred tax liability relating to the revaluation of investment properties may increase as the land appreciation tax rate of the PRC is higher than the tax rate currently used by the Group to calculate the deferred tax recognised for investment properties.

The Group has not early adopted these new and revised standards, amendments and interpretations in the preparation of the consolidated financial statements.

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 consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

(A) Turnover

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

	2010	2009
	HK$'000	*HK$'000*
Sales of properties	**1,096,721**	3,871,426
Property management income	**93,959**	72,157
Rental income	**62,409**	21,726
Other service income	**27,847**	33,869
	1,280,936	3,999,178

(B) Segment information

For management purposes, the Group is currently organised into the following operating divisions – property development, property management and property investment. These divisions are the basis on which the Group reports to the Chief Executive Officer ("CEO"), the Group's chief operating decision maker, for performance assessment and resource allocation.

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 31 December 2010

	Property development	**Property management**	**Property investment**	**Total for reportable segment**	**Others**	**Eliminations**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
TURNOVER							
External sales	**1,096,721**	**93,959**	**62,409**	**1,253,089**	**27,847**	**–**	**1,280,936**
Inter-segment sales	**–**	**–**	**–**	**–**	**2,064**	**(2,064)**	**–**
	1,096,721	**93,959**	**62,409**	**1,253,089**	**29,911**	**(2,064)**	**1,280,936**
RESULT							
Segment result	**607,922**	**3,333**	**206,797**	**818,052**	**15,963**	**–**	**834,015**
Other income							**62,017**
Unallocated corporate expenses							**(67,259)**
Impairment loss recognised in respect of loan receivable							**(138,120)**
Gain on derivatives component of convertible bonds							**202,856**
Changes in fair value of investments held for trading							**25,323**
Share of results of associates							**13,301**
Finance costs							**(30,916)**
Profit before taxation							**901,217**

For the year ended 31 December 2009

	Property development HK$'000	Property management HK$'000	Property investment HK$'000	Total for reportable segment HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
TURNOVER							
External sales	3,871,426	72,157	21,726	3,965,309	33,869	–	3,999,178
Inter-segment sales	–	–	–	–	2,043	(2,043)	–
	3,871,426	72,157	21,726	3,965,309	35,912	(2,043)	3,999,178
RESULT							
Segment result	1,978,799	3,492	49,694	2,031,985	15,942	–	2,047,927
Other income							106,763
Unallocated corporate expenses							(53,413)
Loss on 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							(9,756)
Profit before taxation							2,247,604

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, change in fair value of investments held for trading and derivatives component of convertible bonds, investment revenue, finance costs and impairment loss recognised in respect of loan receivable.

Inter-segment sales are charged at prevailing market prices.

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

All the Group's turnover for both years is generated from the People's Republic of China (the "PRC") (place of domicile of the group entities that derive turnover) and substantially all the Group's non-current assets other than financial instruments (loan receivable from an associate and available-for-sale investments) were also located in the PRC (place of domicile of the group entities that hold such assets). No individual customer of the Group has contributed sales over 10% of the turnover of the Group for each of the year ended 31 December 2010 or 2009.

4. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings wholly repayable within five years	**24,560**	32,077
– bank borrowings not wholly repayable within five years	**1,267**	1,854
Effective interest expense on convertible bonds	**27,670**	6,957
	53,497	40,888
Less: Amount capitalised to properties under development for sale	**–**	(31,132)
Amount capitalised to property under construction	**(13,549)**	–
Amount capitalised to investment properties under construction	**(9,032)**	–
	30,916	9,756

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 4.6% (2009: 6.0%) to expenditure on qualifying assets.

5. PROFIT BEFORE TAXATION

	2010	2009
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Stock of properties recognised as cost of sales	**392,085**	1,748,126
Depreciation of property, plant and equipment	**7,022**	5,804
Release of prepaid lease payments	**95**	94
Impairment loss recognised in respect of loan receivable (included in other expenses)	**138,120**	–
and after crediting:		
Interest income (included in other income) on:		
– bank deposits	**56,663**	32,567
– loan receivable	**–**	69,951
– amount due from associates	**–**	135

6. TAXATION

	2010	2009
	HK$'000	*HK$'000*
The charge comprises:		
PRC Enterprise Income Tax		
– current year	**94,778**	348,188
– (over) underprovision in prior years	**(118,666)**	35,856
PRC land appreciation tax	**245,274**	423,798
	221,386	807,842
Deferred taxation	**40,897**	13,169
	262,283	821,011

No provision for Hong Kong Profits Tax has been made in the financial statements as the amount involved was insignificant for both years.

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 their assessable profits for the year ended 31 December 2010 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.

Pursuant to State Administration of Taxation ("SAT") Bulletin 2010 No. 29 issued in 2010 ("Circular 29"), a real estate developer is allowed to allocate the final PRC Land Appreciation Tax ("LAT") liability on a project to the prior periods covered by the project retroactively and claim a refund of EIT previously paid if it is in EIT loss position in the year which the final LAT settlement is made. A subsidiary of the Group had accrued LAT in prior years, which was treated as non-deductible for EIT at the relevant years before the issuance of Circular 29 as the management expected that the subsidiary would be in a loss position in the year of final settlement of LAT. Thus, the EIT previously paid in an amount of HK$118,666,000 is reversed in the current year pursuant to the issuance of Circular 29.

In addition, 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 SAT'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 Shenfubanhan 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

	2010	2009
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2009 final of HK3.0 cents (2009: 2008 final of HK2.0 cents) per share	**106,233**	65,720

The directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: final dividend of HK3.0 cents per share).

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:

	2010	2009
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share, being profit for the year attributable to owners of the Company	**560,317**	1,213,800
Effect of dilutive potential ordinary shares:		
Gain on derivative component of convertible bonds	**(202,856)**	–
Interest on convertible bonds	**27,670**	–
Earnings for the purpose of diluted earnings per share	**385,131**	1,213,800

	Number of shares	
	2010	2009
Weighted average number of shares for the purpose of basic earnings per share	**3,543,255,298**	3,348,379,352
Effect of dilutive potential shares:		
Convertible bonds	**436,488,169**	–
Share options	**2,459,178**	1,581,029
Weighted average number of shares for the purpose of diluted earnings per share	**3,982,202,645**	3,349,960,381

The computation of diluted earnings per share in 2009 did not assume the conversion of the Company's outstanding convertible loan notes since their exercise would result in an increase in earnings per share for the year ended 31 December 2009.

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

During the year, the Group spent approximately HK$80,099,000 (2009: HK$32,940,000) on acquisition of property, plant and equipment.

The fair value of the Group's completed investment properties at 31 December 2010 and 2009 has been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, and are the members of The Hong Kong Institute of Surveyors. The valuation of investment properties was arrived at by reference to market evidence of transaction prices for similar properties. The investment properties under construction only include the building portion. The directors consider that the fair value of the investment properties under construction at the end of reporting period approximates to its carrying amount.

10. LOAN RECEIVABLE

	2010	2009
	HK$'000	*HK$'000*
Shareholder's loan receivable	**2,021,078**	2,159,198

Note:

The amount represents shareholder's loan receivable from the Group's associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), for financing a property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment 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.

Due to the extension of the anticipated completion period of the property projects, the Group has revised its estimates from the receipts of the shareholder's loan receivable during the year and therefore an impairment loss of HK$138,120,000 (2009: nil) was recognised for the year by reference to the present value of the estimated future cash flows discounted using the effective interest rate at initial recognition. In addition, the interest income recognised from the shareholder's loan for the six months ended 30 June 2010 of HK$171,841,000 was derecognised at the end of the year and there would be no further recognition of interest income until it is probable that such interest income would be recovered by the Group.

The directors have reviewed the carrying amount of loan receivable of HK$2,021,078,000 (2009: HK$2,159,198,000) and consider that this amount is fully recoverable.

11. STOCK OF PROPERTIES

	2010	2009
	HK$'000	*HK$'000*
Properties under development	**653,462**	675,163
Stock of properties held for sale	**132,717**	765,560
	786,179	1,440,723

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**10,657**	1,909
Other receivables, deposits and prepayments *(Note)*	**192,832**	99,459
	203,489	101,368

Note: Included in other receivables is an amount of RMB124,440,000 (equivalent to approximately HK$146,000,000) (2009: nil) paid to an independent third party for the development of intelligent community projects.

The Group allows an average credit period ranging from 0 to 60 days to its trade customers. The following is an aged analysis of trade receivables presented based on invoice date at the end of reporting period:

	2010	2009
	HK$'000	*HK$'000*
Aged:		
0 to 60 days	**6,825**	929
61 to 180 days	**3,732**	812
Over 181 days	**100**	168
	10,657	1,909

Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade and other receivables, deposits and prepayments are debtors with aggregate carrying amount of HK$3,832,000 (2009: HK$980,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade debtors which are past due but not impaired:

	2010	2009
	HK$'000	*HK$'000*
61-180 days	**3,732**	812
Over 181 days	**100**	168
	3,832	980

The Group has not provided fully for all receivables aged over 60 days based on the historical experience of the Group that receivables are past due but not impaired are generally recoverable.

13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK$363,219,000 (31.12.2009: HK$391,166,000) and receipt in advance from property sales of HK$62,454,000 (31.12.2009: HK$492,497,000).

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

	2010	2009
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**331,734**	265,970
91 to 180 days	**1,561**	15,468
181 to 360 days	**8,094**	5,601
Over 360 days	**21,830**	104,127
	363,219	391,166

14. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Shares of HK$0.10 each		
Authorised:		
At 1 January 2009	4,800,000,000	480,000
Increase on 13 July 2009	1,200,000,000	120,000
At 31 December 2009 and 31 December 2010	6,000,000,000	600,000
Issued and fully paid:		
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)
At 31 December 2009	3,563,112,832	356,311
Repurchase of shares	(22,000,000)	(2,200)
At 31 December 2010	3,541,112,832	354,111

Changes in the share capital of the Company during the year ended 31 December 2009 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 ended 31 December 2009, 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 Highest *HK$*	Price per share Lowest *HK$*	Aggregate consideration paid *HK$'000*
November 2009	25,182,000	1.480	1.410	36,313

The shares repurchased by the Company in 2009 were cancelled.

During the year ended 31 December 2010, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	**Number of ordinary shares**	**Price per share Highest** ***HK$***	**Price per share Lowest** ***HK$***	**Aggregate consideration paid** ***HK$'000***
January 2010	**20,000,000**	**1.33**	**1.29**	**26,303**
February 2010	**2,000,000**	**1.34**	**1.32**	**2,653**

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

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

BUSINESS REVIEW

Overall, the Mainland real estate market was riding a positive trend in 2010. From a macroeconomic perspective, the market was underpinned by an improving Chinese economy with increasing recovery momentum. From a policy perspective, the central Government has maintained a proactive fiscal policy and a moderately loose monetary policy. From a market perspective, demand for housing remained strong and inventory was at a historic low. These three factors supported the Chinese real estate market in the past year. Nonetheless, with the state introducing macro-control policies one after the other, the market succumbed to short-term adjustment and volatility.

During 2010, 3.7283 million square meters of commodity houses were sold in Shenzhen, a significant decline of 6.27% compared with 2009. The average transaction price was RMB22,023 per square meter, a sharp increase of 35.71% over the previous year, and a record high for commodity houses in Shenzhen. Benefited from a fury of property sales in 2009, developers were generally armed with strong capital. As such, selling prices remained firm even in the face of the most severe regulation and control in recent history.

In Shanghai, 9.646 million square meters of commodity houses were sold in 2010, a substantial decline of 48.86% compared to 18.86 million square meters in 2009. Prices showed a U-shaped trend during the year, moving downwards for months before picking up by the year-end. The average transaction price of Shanghai commodity houses amounted to RMB25,080 per square meter, an increase of 19.58% year-on-year.

For the year ended 31 December 2010, the Group's turnover amounted to HK$1,281 million, a decrease of 68.0% compared to the same period last year. Gross profit declined by 63.8% to HK$787 million. Profit attributable to owners of the Company dropped by 53.8% to HK$560 million. Basic earnings per share was HK15.81 cents, down by 56.4% compared to the same period last year. The setback was due to a significant decline in sales area and sales revenue recorded by the Group. With less properties available for sale, the Group's profit was significantly affected despite the positive market sentiment seen in Shenzhen and nationwide.

PROPERTY SALES

For the year ended 31 December 2010, the Group through its property development arm Sinolink Properties Limited and Shenzhen Mangrove West Coast Property Development Co. Ltd. recorded a turnover of HK$1,097 million from property sales, a decrease of 71.7% compared to HK$3,871 million for the same period last year. A total gross floor area ("GFA") of approximately 27,468 square meters was sold during the year as compared to 127,333 square meters last year, representing a decrease of 78.4%. 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 declined by 66.8% to HK$705 million compared to HK$2,123 million a year ago. *The Seasons* sold a GFA of 11,591 square meters, a decrease of 84.9% compared to the same period last year. The average selling price was RMB28,303 per square meter, representing an increase of 15.0% compared to the same period last year. *The Mangrove West Coast* sold a GFA of 15,877 square meters, a decrease of 68.7%. The average selling price was RMB42,714 per square meter, up by 26.0% compared to the same period last year.

PROPERTY RENTAL

For the year ended 31 December 2010, total rental income was HK$62 million, representing an increase of 187.3% compared to the same period last year. The increase was mainly attributable to the opening of *The Vi City* during the year, which has a GFA of 39,434 square meters.

A major commercial complex of Sinolink Garden Phase Five, *The Vi City* is positioned as a lifestyle shopping center focusing on major themes including fashion, family and cuisine. Opened in April 2010, *The Vi City* has approximately 140 tenants and is fully let.

OPENING OF THE ROCKBUND ART MUSEUM ("RAM")

During the year, *Rockbund* underwent a new transformation in its historical development with the completion of façade restoration works of 11 heritage buildings in May 2010, followed by the commencement of a leasing drive. On 4 May 2010, the RAM was officially opened with an exhibition titled "Cai Guo-Qiang: Peasant Da Vincis". It showcased the works of Cai Guo-Qiang, an internationally renowned artist, and gained strong and wide acclaim at home and abroad. Subsequent exhibitions held in the RAM included "2010 Zeng Fanzhi", an exhibition of Zeng Fanzhi's works curated by Professor Wu Hung, and "By Day By Night, or Some (Special) Things a Museum Can Do", an exhibition curated by international curator Hou Hanru, which were highly original with strong academic and social significance. At the same time, other academic and educational activities, including more than 60 seminars, talks, performances and workshops, were held by the RAM, which received extensive publicity and favourable comments in the public media and the arts sectors. With the Shanghai Fine Jewellery and Art Fair and the Exhibition of the China Design Market titled "Supernatural" also held at *Rockbund*, together with other promotional and marketing activities, *Rockbund* has gained strong and wide publicity, which not only enhanced the reputation and brand status of *Rockbund* in the market but also laid a solid foundation for its future leasing activities.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 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 meters of which hotel space occupies 30,000 square meters. During the year, *Sinolink Tower* completed its main structure. Renovation was completed in the elevator hall and lobby of the office segment, while the hotel facility finished renovation of a prototype storey. Letters of intention have been signed with potential tenants for approximately 50% of the office space. The property is expected to 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 meters and a GFA of 94,080 square meters. 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 meter 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 meters. The project is currently under construction. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project, which is located in one of the most accessible and luxury living districts in Shanghai. The land is situated in a low density neighbourhood with luxury residential properties around, and is conveniently located being approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

    During the year, *Ningguo Mansions* received the Planning Permit for Construction and the Building Permit, and commenced construction works. Significant marketing and promotional activities have been launched for *Ningguo Mansions* during 2010. Moreover, the Group has conducted in-depth research about the leasing and sale of high-end properties in Shanghai, and has developed a blueprint for the product positioning and customer profile of *Ningguo Mansions*.

MAJOR ASSOCIATE

The Group's major associate, Rockefeller Group Asia Pacific, Inc., contributed HK$13 million to the Group's profit due to the change in fair value of investment properties.

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 2010, the Group recorded revenue from other businesses of HK$122 million, representing an increase of 14.9% compared to the same period last year.

NEW PROJECT DEVELOPMENT

With the sale of *The Mangrove West Coast* and *The Seasons* basically completed, projects for development and investment have become major focus of the Group. During the past year, the Group has made in-depth research and careful preparations, and has actively participated in various sourcing events for property projects through by tenderings, public auctions or government listings in Beijing and Shanghai. Moreover, the Group has conducted serious discussions on joint development opportunities with other companies. Nonetheless, the Mainland's real estate market and land market were overheated in 2010. Competition was fierce and the prices of prime land lots were bid up to staggering levels. As such, we were eventually unable to acquire a satisfactory project within our expectations. The Group will continue to adhere to its investment principles and development strategies to actively identify project that match these criteria.

With more macro-control policies being introduced, we expect the Mainland's overheated real estate market to cool down in 2011 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, and strive to acquire projects with good potential in target cities that meet our development strategy so as to lay a solid foundation for our next round of development.

PROSPECTS

The Mainland property market ended 2010 in the midst of macro-controls from the Government. Looking ahead, the regulation and control of the real estate market in 2011 will focus on increasing social housing, curbing excessive investing demand, and maintaining steady growth in the market. Moreover, regulatory measures targeting the housing sector, including administrative, economic, and taxation means, are expected to have some impact on the market. All in all, with credit and tax policies as well as an increasing supply of affordable homes and other measures in the pipeline, 2011 will be a testing time for the Chinese real estate market. The various market indices are expected to slow down, and the overall market is expected to stabilize as a result of these interacting dynamics.

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$732 million as at 31 December 2010. The total borrowings as at 31 December 2010 included bank loans of HK$429 million and liability component of the convertible bonds of HK$303 million. During the year, new banking facilities and loans amount to HK$100 million were obtained while loans amounted to HK$100 million and RMB300 million were repaid. Gearing ratio as at 31 December 2010, calculated on the basis of total borrowings over shareholders' equity, was 11.1% as compared to 19.2% as at 31 December 2009. 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 had a carrying value of HK$405 million as at 31 December 2010. 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 have been used for hedging purpose; however, the Board will continue to evaluate and closely monitor the potential impact of RMB appreciation and interest rates movement on the Group.

The Group's cash and cash equivalents amounted to HK$4,918 million (including pledged deposits) as at 31 December 2010 and were mostly denominated in RMB, HKD and USD.

REDEMPTION OF CONVERTIBLE BONDS

In December 2010, the Group entered into a redemption agreement with some of the holders of the Group's convertible bonds in the principal amount of HK$490 million, pursuant to which the Group redeemed convertible bonds in an aggregate amount of HK$150 million at face value. As at 31 December 2010, the outstanding principal amount of the convertible bonds was HK$340 million.

Pursuant to Hong Kong Accounting Standards, the convertible bonds issued by the Company should be valued based on market fair value. By reference to professional valuations conducted by an independent valuer, a gain of HK$203 million was recognized by the Group for the year on the derivatives component of the convertible bonds.

CAPITAL COMMITMENTS

As at 31 December 2010, the Group had capital commitments in respect of the properties under constructions and commitments in respect of properties under development amounting to HK$435 million and HK$510 million respectively; and committed funding to investment projects amounting 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$88 million.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: HK$0.03 per share).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the Group employed approximately 836 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 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**
		Highest	**Lowest**	
		HK$	*HK$*	*HK$*
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 year ended 31 December 2010.

CORPORATE GOVERNANCE

During the year, the Company 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 (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 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. 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 2010 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, 28 March 2011

As at the date of this announcement, the Board comprises Mr. Ou Yaping (Chairman), Mr. Tang Yui Man Francis (Chief Executive Officer), Mr. Chen Wei and Mr. Xiang Ya Bo 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.