百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2011 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2011

- Turnover down 72.7% to HK$349.2 million
- Gross Profit down 75.3% to HK$194.6 million
- Profit attributable to owners of the Company down 33.0% to HK$375.2 million
- Basic Earnings Per Share down 33.0% to HK10.59 cents

* *for identification purposes only*

The board of directors (the "Board") of Sinolink Worldwide Holdings Limited (the "Company") announced the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	NOTES	2011 HK$'000	2010 HK$'000
Turnover	3	**349,166**	1,280,936
Cost of sales		**(154,549)**	(493,635)
Gross profit		**194,617**	787,301
Other income		**207,533**	62,017
Selling expenses		**(6,375)**	(19,722)
Administrative expenses		**(92,956)**	(143,394)
Other expenses		**(7,165)**	(145,840)
Increase in fair value of investment properties		**314,651**	150,291
Gain on derivative components of convertible bonds		**50,444**	202,856
(Loss) gain from change in fair value on investments held for trading		**(59,302)**	25,323
Share of results of associates		**26,022**	13,301
Finance costs	4	**(15,682)**	(30,916)
Profit before taxation	5	**611,787**	901,217
Taxation	6	**(159,733)**	(262,283)
Profit for the year		**452,054**	638,934
Attributable to:			
Owners of the Company		**375,172**	560,317
Non-controlling interests		**76,882**	78,617
		452,054	638,934
		HK cents	HK cents
Earnings per share	8		
Basic		**10.59**	15.81
Diluted		**9.04**	9.67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	2011	2010
	HK$'000	*HK$'000*
Profit for the year	**452,054**	638,934
Other comprehensive income		
Exchange differences arising on translation	**219,025**	152,777
Share of translation reserve of associates	**22,118**	5,697
Other comprehensive income for the year	**241,143**	158,474
Total comprehensive income for the year	**693,197**	797,408
Total comprehensive income attributable to:		
Owners of the Company	**573,637**	690,094
Non-controlling interests	**119,560**	107,314
	693,197	797,408

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	NOTES	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment	9	**239,717**	151,403
Prepaid lease payments		**119,635**	116,051
Investment properties	9	**2,000,423**	1,518,895
Interests in associates		**159,069**	110,929
Available-for-sale investments		**13,761**	1,261
Loan receivable	10	**2,142,895**	2,021,078
		4,675,500	3,919,617
Current assets			
Stock of properties	11	**684,292**	786,179
Trade and other receivables, deposits and prepayments	12	**144,030**	205,309
Prepaid lease payments		**2,140**	2,039
Amounts due from associates		**75,590**	57,140
Investments held for trading		**175,159**	547,563
Pledged bank deposits		**606**	1,633
Bank balances and cash		**4,312,385**	4,915,904
		5,394,202	6,515,767
Current liabilities			
Trade payables, deposits received and accrued charges	13	**495,426**	580,744
Taxation payable		**778,633**	1,424,188
Borrowings – amount due within one year		**161,652**	158,754
Convertible bonds	14	**25,456**	377,641
		1,461,167	2,541,327
Net current assets		**3,933,035**	3,974,440
Total assets less current liabilities		**8,608,535**	7,894,057
Non-current liabilities			
Borrowings – amount due after one year		**221,948**	270,271
Deferred taxation		**217,389**	147,785
		439,337	418,056
		8,169,198	7,476,001
Capital and reserves			
Share capital		**354,111**	354,111
Reserves		**6,845,622**	6,271,985
Equity attributable to owners of the Company		**7,199,733**	6,626,096
Non-controlling interests		**969,465**	849,905
		8,169,198	7,476,001

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 are presented in Hong Kong dollars while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting Hong Kong dollars as its presentation currency is that the Company is a public company with its shares listed on the Stock Exchange, and most of its investors are located in Hong Kong.

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 HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 January 2013*
[3] *Effective for annual periods beginning on or after 1 January 2015*
[4] *Effective for annual periods beginning on or after 1 January 2012*
[5] *Effective for annual periods beginning on or after 1 July 2012*
[6] *Effective for annual periods beginning on or after 1 January 2014*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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. 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 adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's available-for-sale investments. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation associates and disclosures

In June 2011, a package of five standards on consolidation, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) – Int 12 "Consolidation – Special Purpose Entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in associates may become the Group's subsidiaries based on the new definition of control and the related guidance in HKFRS 10). However, the directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. 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 People's Republic of China (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:

	2011	2010
	HK$'000	*HK$'000*
Sales of properties	**134,257**	1,096,721
Property management income	**103,753**	93,959
Rental income	**77,768**	62,409
Other service income	**33,388**	27,847
	349,166	1,280,936

(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 reportable and operating segment.

For the year ended 31 December 2011

	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	**134,257**	**103,753**	**77,768**	**315,778**	**33,388**	**–**	**349,166**
Inter-segment sales	**–**	**–**	**–**	**–**	**2,174**	**(2,174)**	**–**
	134,257	**103,753**	**77,768**	**315,778**	**35,562**	**(2,174)**	**349,166**
RESULT							
Segment result	**16,628**	**1,714**	**383,317**	**401,659**	**26,696**	**–**	**428,355**
Other income							**207,533**
Unallocated corporate expenses							**(25,583)**
Gain on derivative components of convertible bonds							**50,444**
Loss from change in fair value on investments held for trading							**(59,302)**
Share of results of associates							**26,022**
Finance costs							**(15,682)**
Profit before taxation							**611,787**

For the year ended 31 December 2010

	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	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 derivative components of convertible bonds							202,856
Gain from change in fair value on investments held for trading							25,323
Share of results of associates							13,301
Finance costs							(30,916)
Profit before taxation							901,217

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the operating 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 derivative components of convertible bonds, investment revenue, finance costs and impairment loss recognised in respect of loan receivable.

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.

No analysis of other information by reportable segments is presented as it is not regularly provided to the CEO for review.

All the Group's turnover for both years is generated from the PRC (based on where the customers locate) 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 2011 or 2010.

4. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings wholly repayable within five years	**23,368**	24,560
– bank borrowings not wholly repayable within five years	**–**	1,267
Effective interest expense on convertible bonds	**13,259**	27,670
	36,627	53,497
Less: Amount capitalised to property under construction	**(12,567)**	(13,549)
Amount capitalised to investment properties under construction	**(8,378)**	(9,032)
	15,682	30,916

Borrowing costs capitalised during the year are calculated by applying average capitalisation rate of 6.8% (2010: 4.6%) per annum to expenditure on qualifying assets.

5. PROFIT BEFORE TAXATION

	2011	2010
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Stock of properties recognised as cost of sales	**70,874**	392,085
Depreciation of property, plant and equipment	**7,558**	7,022
Release of prepaid lease payments	**2,096**	95
and after crediting:		
Interest income (included in other income) on:		
– bank deposits	**80,375**	56,663
– loan receivable	**121,817**	–

6. TAXATION

	2011	2010
	HK$'000	*HK$'000*
The charge comprises:		
PRC Enterprise Income Tax		
– current year	**81,903**	94,778
– overprovision in prior years	**–**	(118,666)
PRC land appreciation tax	**16,484**	245,274
	98,387	221,386
Deferred taxation	**61,346**	40,897
	159,733	262,283

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 24% (2010: 22%) of their assessable profits for the year ended 31 December 2011 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 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 in 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 was reversed in the year ended 31 December 2010 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

	2011	2010
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2009 final of HK3.0 cents per share	**–**	106,233

The directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: 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:

	2011	2010
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share, being profit for the year attributable to owners of the Company	**375,172**	560,317
Effect of dilutive potential ordinary shares:		
Gain on derivative components of convertible bonds	**(50,444)**	(202,856)
Interest on convertible bonds	**13,259**	27,670
Earnings for the purpose of diluted earnings per share	**337,987**	385,131

	Number of shares	
	2011	2010
Weighted average number of shares for the purpose of basic earnings per share	**3,541,112,832**	3,543,255,298
Effect of dilutive potential shares:		
Convertible bonds	**198,904,110**	436,488,169
Share options	**–**	2,459,178
Weighted average number of shares for the purpose of diluted earnings per share	**3,740,016,942**	3,982,202,645

The computation of diluted earnings per share in 2011 did not assume the exercise of the Company's share options because the exercise prices of these options were higher than the average market price for shares for the year.

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

During the year, the Group spent approximately HK$88,637,000 (2010: HK$80,099,000) on acquisition of property, plant and equipment.

The fair value of the Group's completed investment properties at 31 December 2011 and 2010 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, 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

	2011	2010
	HK$'000	*HK$'000*
Shareholder's loan receivable	**2,142,895**	2,021,078

The amount represents shareholder's loan receivable to 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 has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

In 2010, due to the extension of the anticipated completion period of the property projects, the Group had revised its estimates from the receipts of the shareholder's loan receivable during the year ended 31 December 2010 and therefore an impairment loss of HK$138,120,000 was recognised for the year ended 31 December 2010 by reference to the present value of the estimated future cash flows discounted using the effective interest rate at initial recognition.

The directors have reviewed the carrying amount of loan receivable of HK$2,142,895,000 (2010: HK$2,021,078,000) and consider that this amount is fully recoverable.

11. STOCK OF PROPERTIES

	2011	2010
	HK$'000	*HK$'000*
Properties under development	**618,432**	653,462
Stock of properties held for sale	**65,860**	132,717
	684,292	786,179

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**4,552**	10,657
Other receivables, deposits and prepayments *(Note)*	**139,478**	194,652
	144,030	205,309

Note: Included in other receivables is an amount of RMB75,444,000 (equivalent to approximately HK$93,026,000) (2010: RMB124,440,000, equivalent to approximately HK$146,000,000) paid to an independent third party for the development of intelligent community projects.

Included in other receivables is an amount due from an investee company of HK$1,820,000. The amounts advanced by the shareholders are determined by the shareholding in the investee company. The advance is unsecured, interest bearing at 2.5% per annum, and has no fixed repayment terms.

The remaining balances mainly represent bank interest receivables, rental deposits and prepayments.

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

	2011	2010
	HK$'000	*HK$'000*
Aged:		
0 to 60 days	**3,593**	6,825
61 to 180 days	**578**	3,732
Over 181 days	**381**	100
	4,552	10,657

Management closely monitors the credit quality of trade 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$959,000 (2010: HK$3,832,000) 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:

	2011	2010
	HK$'000	*HK$'000*
61-180 days	**578**	3,732
Over 181 days	**381**	100
	959	3,832

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$245,907,000 (2010: HK$363,219,000) and receipt in advance from property sales of HK$10,562,000 (2010: HK$21,913,000).

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

	2011	2010
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**88,627**	331,734
91 to 180 days	**12,182**	1,561
181 to 360 days	**26,845**	8,094
Over 360 days	**118,253**	21,830
	245,907	363,219

14. CONVERTIBLE BONDS

On 15 June 2009, the Company entered into a placing agreement ("Placing Agreement") with an independent 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, with the maximum principal amount of HK$500,000,000, subject to and upon the terms and conditions contained in the Placing Agreement and the shareholders' approval. The Placing Agreement, the creation and issue of the convertible bonds are approved by the shareholders of the Company in a special general meeting on 13 July 2009.

On 28 September 2009 ("Issue Date"), 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, convertible bonds with a nominal value of HK$315,000,000 (2010: HK$150,000,000) were redeemed by the Group at cash consideration of HK$315,000,000 (2010: HK$150,000,000).

The convertible bonds contain two components, liability component and conversion and early redemption option derivative components. The effective interest rate of the liability component is 6.85%. The conversion and early redemption option derivatives are measured at fair value with changes in fair value recognised in profit or loss.

The Company has right to redeem, in whole and not in part, the convertible bonds, at any time commencing from the Issue Date to Maturity Date, by giving the bondholders at least seven business days' prior notice at the redemption amount which is 100% of the principal amount of the outstanding convertible bonds as at the date of redemption.

Each of the bondholders may, at any time during the period commencing from the Issue Date, and expiring on the Maturity Date, request the Company to redeem, in whole or in part, the outstanding convertible bonds held by it.

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

	Principal amount *HK$'000*	**Carrying amount of liability component** *HK$'000*
At 1 January 2010	490,000	408,546
Interest charge	–	27,670
Redemption during the year	(150,000)	(132,953)
At 31 December 2010	340,000	303,263
Interest charge	–	13,259
Redemption during the year	(315,000)	(292,320)
At 31 December 2011	25,000	24,202

	Conversion and early redemption option derivatives *HK$'000*
At 1 January 2010	294,281
Settlements resulting from redemption during the year	(17,047)
Gain on derivative components recognised in profit or loss	(202,856)
At 31 December 2010	74,378
Settlements resulting from redemption during the year	(22,680)
Gain on derivative components recognised in profit or loss	(50,444)
At 31 December 2011	1,254

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2011, the Group's turnover amounted to HK$349.2 million, a decrease of 72.7% compared to last year. Gross profit dropped by 75.3% to HK$194.6 million. Profit attributable to owners of the Company fell by 33.0% to HK$375.2 million. Basic earnings per share amounted to HK10.59 cents, a decline of 33.0% compared to last year. As the Group had only a small amount of properties available for sale, which comprised the remaining units of *The Mangrove West Coast* and *The Seasons*, a significant decline in sales area, turnover and profit was recorded.

PROPERTY SALES

For the year ended 31 December 2011, the Group through its property development arm Sinolink Properties Limited recorded a turnover of HK$134.3 million from property sales, a decrease of 87.8% compared to HK$1,096.7 million in 2010. The Group sold a total gross floor area ("GFA") of approximately 3,333 square meters during the year, which was 87.9% less compared to 27,468 square meters recorded a year ago. 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 91.0% to HK$63.4 million compared to HK$705.0 million a year ago. The average selling price of *The Seasons* increased by 26.4% to RMB35,785 per square meter. The *Mangrove West Coast* sold at an average selling price of RMB45,438 per square meter that was 6.4% higher compared to last year.

PROPERTY RENTAL

For the year ended 31 December 2011, total rental income amounted to HK$77.8 million, an increase of 24.6% over last year. The increase was mainly attributable to the full-year contribution from *The Vi City*, a major commercial complex of Sinolink Garden Phase Five opened in April 2010. With a GFA of 39,434 square meters, *The Vi City* has approximately 140 tenants and is fully let.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2011, 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. *Sinolink Tower* is undergoing internal decoration and intelligent engineering works. Letters of intention have been signed with potential tenants for approximately 90% of the office space, which is expected to be opened in the second half of 2012. The hotel section is expected to commence operation in 2013.

(2) *Rockbund*, located on the Bund in Shanghai, is an integrated property development project. The project has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop this historical site and structures into an upscale mixed-use neighborhood, with residential, commercial, retail, offices and cultural facilities. Some of the preserved heritage buildings have commenced operations since May 2010 with rental activities in progress. The whole project is expected to be completed in 2014.

(3) *Ningguo Mansions*, the 13,599.6 square meter site with a plot ratio of 1.0 at Changning District in Shanghai, will be developed into 11 quadrate court houses, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project. *Ningguo Mansions* 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* completed its main structure and commenced electrical, mechanical and landscaping works. The project is expected to receive acceptance check for completed construction and commence decoration in the second half of 2012.

MAJOR ASSOCIATE

The Group recorded a share of gain of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK$26.0 million, an increase of 95.6% over last year, due to an increase in the fair value of investment properties held by the associate.

During the year, Rockbund made steady progress in leasing works for its six preserved heritage buildings. As at 31 December 2011, eight corporations have entered into leasing agreements, of which five have finished decoration and opened for business. The Group has also made dialogues with a large number of retailers, office users and food and beverage operators during the year, and engaged in active discussions with those who align with the positioning of *Rockbund*.

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 2011, the Group recorded revenue from other businesses of HK$137.1 million, an increase of 12.6% compared to last year.

PROSPECTS

The intensive measures introduced in 2011 under the regulatory policies have had a severe impact on the Mainland's real estate market. Cities with limits on home purchases recorded significantly lower transaction volumes compared to the previous year, and the decline in housing prices have extended widely from first-tier municipalities to second- and third-tier cities. These adjustments in the real estate market are in line with government expectations and in the interest of the industry's long-term development. Hence, we expect the "soft landing" of the real estate industry to become a major focus of the Mainland's macro-control in 2012.

In the coming year, we will keep abreast with the changes in the governing policies for the real estate industry and closely monitor the market momentum to seize opportunities that may arise from the macro-control measures and market adjustments. We will continue to explore new business models that can cope with the new trends in the real estate market and strive for breakthroughs in our market expansion and new project development so as to lay a solid foundation for the Group's future 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$732.3 million as at 31 December 2010 to HK$407.8 million as at 31 December 2011. The total borrowings as at 31 December 2011 included bank loans of HK$383.6 million and liability component of the convertible bonds of HK$24.2 million. Gearing ratio as at 31 December 2011, calculated on the basis of total borrowings over shareholders' equity, was 5.7% compared to 11.1% as at 31 December 2010. 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$481.5 million as at 31 December 2011. 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$4,313.0 million (including pledged deposits) as at 31 December 2011 and were mostly denominated in RMB, HKD and USD.

REDEMPTION OF CONVERTIBLE BONDS

In August 2011, the Company entered into a redemption agreement with some of the holders of the Company's convertible bonds, pursuant to which the Company redeemed convertible bonds in an aggregate amount of HK$315 million at face value. As at 31 December 2011, the outstanding principal amount of the convertible bonds was HK$25 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$50.4 million was recognized by the Group for the year on the derivative components of the convertible bonds.

CAPITAL COMMITMENTS

As at 31 December 2011, the Group had capital commitments in respect of properties under constructions and commitments in respect of properties under development amounting to HK$623.0 million and HK$123.4 million respectively.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK$74.6 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 2011 (2010: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, the Group employed approximately 798 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2011.

CORPORATE GOVERNANCE

The Company has adopted all the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as its own code on corporate governance practices.

During the year, the Company has complied with the code provisions as set out in the Code.

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 2011, 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 audited financial statements of the Company for the year ended 31 December 2011 have been reviewed by the audit committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("AGM") was scheduled to be held on Thursday, 17 May 2012. The notice of AGM will be published on the Company's website at www.sinolinkhk.com and the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk in due course. The record date for entitlement of shareholders of the Company to attend and vote at the AGM was fixed at the close of business on Wednesday, 16 May 2012.

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, 27 March 2012

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.