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百仕達控股有限公司\*

SINOLINK WORLDWIDE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1168)

## 2015 INTERIM RESULTS ANNOUNCEMENT

### FINANCIAL HIGHLIGHTS

*For the six months ended 30 June 2015*

- Turnover up 15% to HK\$164.6 million
- Gross Profit down 22% to HK\$69.7 million
- Profit attributable to owners of the Company down 36% to HK\$14.7 million
- Basic Earnings Per Share down 35% to HK0.42 cents

\* *For identification purpose only*

The board of directors (the “Board”) of Sinolink Worldwide Holdings Limited (the “Company”) announced the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

|   |       | Six months ended |             |
|---|-------|------------------|-------------|
|   |       | 30.6.2015        | 30.6.2014   |
|   | NOTES | HK\$'000         | HK\$'000    |
|   |       | (unaudited)      | (unaudited) |
| Turnover  | 3     | 164,604          | 142,670     |
| Cost of sales                                   |       | (94,857)         | (53,656)    |
| Gross profit                                    |       | 69,747           | 89,014      |
| Other income                                    | 4     | 72,485           | 95,238      |
| Selling expenses                                |       | (1,536)          | (1,427)     |
| Administrative expenses                         |       | (70,921)         | (62,898)    |
| Increase in fair value of investment properties |       | 33,417           | 15,152      |
| Fair value gain on investments held for trading |       | 96,197           | 362         |
| Impairment loss on loan receivable              |       | (79,000)         | —           |
| Share of results of associates                  |       | (50,339)         | (46,232)    |
| Finance costs                                   | 5     | (6,959)          | (8,427)     |
| Profit before taxation                          |       | 63,091           | 80,782      |
| Taxation  | 6     | (30,973)         | (38,095)    |
| Profit for the period                           | 7     | 32,118           | 42,687      |
| Attributable to:                                |       |                  |             |
| Owners of the Company                           |       | 14,748           | 22,896      |
| Non-controlling interests                       |       | 17,370           | 19,791      |
|   |       | 32,118           | 42,687      |
|   |       | HK cents         | HK cents    |
| Earnings per share                              | 9     |                  |             |
| Basic   |       | 0.42             | 0.65        |
| Diluted   |       | 0.42             | N/A         |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2015*

|  | <b>Six months ended</b> |                 |
|--|-------------------------|-----------------|
|  | <b>30.6.2015</b>        | 30.6.2014       |
|  | <b>HK\$'000</b>         | HK\$'000        |
|  | <b>(unaudited)</b>      | (unaudited)     |
| Profit for the period                                  | <u><b>32,118</b></u>    | <u>42,687</u>   |
| <b>Other comprehensive income (expense)</b>            |                         |                 |
| Items that will not be reclassified to profit or loss: |                         |                 |
| Exchange differences arising on translation            | <b>86</b>               | (52,528)        |
| Share of translation reserve of associates             | <u><b>(293)</b></u>     | <u>(638)</u>    |
| Other comprehensive expense for the period             | <u><b>(207)</b></u>     | <u>(53,166)</u> |
| Total comprehensive income (expense) for the period    | <u><b>31,911</b></u>    | <u>(10,479)</u> |
| Total comprehensive income (expense) attributable to:  |                         |                 |
| Owners of the Company                                  | <b>14,509</b>           | (20,854)        |
| Non-controlling interests                              | <u><b>17,402</b></u>    | <u>10,375</u>   |
|  | <u><b>31,911</b></u>    | <u>(10,479)</u> |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

|   | NOTES | 30.6.2015<br>HK\$'000<br>(unaudited) | 31.12.2014<br>HK\$'000<br>(audited) |
|---|-------|--------------------------------------|-------------------------------------|
| Non-current assets  |       |                                      |                                     |
| Property, plant and equipment                                   |       | 579,138                              | 604,828                             |
| Prepaid lease payments  |       | 69,619                               | 70,300                              |
| Investment properties   |       | 2,675,245                            | 2,633,168                           |
| Amounts due from associates                                     |       | 131,921                              | 124,971                             |
| Interests in associates   |       | –                                    | –                                   |
| Available-for-sale investments                                  |       | 147,045                              | 143,575                             |
| Other receivables   |       | 122,649                              | 96,649                              |
| Loan receivable   |       | 1,833,778                            | 1,963,410                           |
| Deposit paid for purchase of property, plant and equipment      |       | 19,995                               | –                                   |
|   |       | <b>5,579,390</b>                     | <b>5,636,901</b>                    |
| Current assets  |       |                                      |                                     |
| Stock of properties   |       | 859,958                              | 824,172                             |
| Trade and other receivables, deposits and prepayments           | 10    | 179,936                              | 188,904                             |
| Entrusted loans receivable                                      |       | 310                                  | 40,600                              |
| Prepaid lease payments  |       | 1,362                                | 1,362                               |
| Investments held for trading                                    |       | 978,776                              | 218,940                             |
| Pledged bank deposits   |       | 662                                  | 661                                 |
| Bank balances and cash  |       | 2,991,752                            | 3,721,364                           |
|   |       | <b>5,012,756</b>                     | <b>4,996,003</b>                    |
| Current liabilities   |       |                                      |                                     |
| Trade and other payables, deposits received and accrued charges | 11    | 566,105                              | 573,293                             |
| Taxation payable  |       | 726,930                              | 800,952                             |
| Borrowings – due within one year                                |       | 40,067                               | 40,067                              |
|   |       | <b>1,333,102</b>                     | <b>1,414,312</b>                    |
| Net current assets  |       | <b>3,679,654</b>                     | <b>3,581,691</b>                    |
| Total assets less current liabilities                           |       | <b>9,259,044</b>                     | <b>9,218,592</b>                    |
| Non-current liabilities   |       |                                      |                                     |
| Borrowings – due after one year                                 |       | 179,408                              | 199,442                             |
| Deferred taxation   |       | 374,051                              | 360,657                             |
|   |       | <b>553,459</b>                       | <b>560,099</b>                      |
| Net assets  |       | <b>8,705,585</b>                     | <b>8,658,493</b>                    |
| Capital and reserves  |       |                                      |                                     |
| Share capital   |       | 354,111                              | 354,111                             |
| Reserves  |       | 7,234,298                            | 7,204,608                           |
| Equity attributable to owners of the Company                    |       | <b>7,588,409</b>                     | <b>7,558,719</b>                    |
| Non-controlling interests                                       |       | <b>1,117,176</b>                     | <b>1,099,774</b>                    |
| Total Equity  |       | <b>8,705,585</b>                     | <b>8,658,493</b>                    |

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2015*

**1. GENERAL**

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

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

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The Group has not early applied the amendments to Appendix 16 issued by the Stock Exchange in early 2015.

**2. PRINCIPAL ACCOUNTING POLICIES**

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

### 3. TURNOVER AND SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments:

#### Segment information

*Six months ended 30 June 2015*

|  | Property<br>development<br><i>HK\$'000</i> | Property<br>investment<br><i>HK\$'000</i> | Property<br>management<br><i>HK\$'000</i> | Total for<br>reportable<br>segments<br><i>HK\$'000</i> | Others<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|--|--|---|---|--|---------------------------|---------------------------------|
| TURNOVER   |  |   |   |  |                           |                                 |
| External sales                                     | <u>–</u>                                   | <u>79,419</u>                             | <u>62,797</u>                             | <u>142,216</u>   | <u>22,388</u>             | <u>164,604</u>                  |
| RESULT   |  |   |   |  |                           |                                 |
| Segment result                                     | <u>(1,396)</u>                             | <u>87,963</u>                             | <u>9,376</u>                              | <u>95,943</u>  | <u>(25,575)</u>           | <u>70,368</u>                   |
| Other income                                       |  |   |   |  |                           | 72,485                          |
| Unallocated corporate expenses                     |  |   |   |  |                           | (39,661)                        |
| Fair value gain on<br>investments held for trading |  |   |   |  |                           | 96,197                          |
| Impairment loss on loan receivable                 |  |   |   |  |                           | (79,000)                        |
| Share of results of associates                     |  |   |   |  |                           | (50,339)                        |
| Finance costs                                      |  |   |   |  |                           | <u>(6,959)</u>                  |
| Profit before taxation                             |  |   |   |  |                           | <u>63,091</u>                   |

*Six months ended 30 June 2014*

|  | Property<br>development<br><i>HK\$'000</i> | Property<br>investment<br><i>HK\$'000</i> | Property<br>management<br><i>HK\$'000</i> | Total for<br>reportable<br>segments<br><i>HK\$'000</i> | Others<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|--|--|---|---|--|---------------------------|---------------------------------|
| TURNOVER   |  |   |   |  |                           |                                 |
| External sales                                     | <u>–</u>                                   | <u>65,881</u>                             | <u>59,512</u>                             | <u>125,393</u>   | <u>17,277</u>             | <u>142,670</u>                  |
| RESULT   |  |   |   |  |                           |                                 |
| Segment result                                     | <u>(13,478)</u>                            | <u>67,253</u>                             | <u>8,637</u>                              | <u>62,412</u>  | <u>8,364</u>              | <u>70,776</u>                   |
| Other income                                       |  |   |   |  |                           | 95,238                          |
| Unallocated corporate expenses                     |  |   |   |  |                           | (30,935)                        |
| Fair value gain on investments<br>held for trading |  |   |   |  |                           | 362                             |
| Share of results of associates                     |  |   |   |  |                           | (46,232)                        |
| Finance costs                                      |  |   |   |  |                           | <u>(8,427)</u>                  |
| Profit before taxation                             |  |   |   |  |                           | <u>80,782</u>                   |

Inter-segment sales are charged at prevailing market prices.

Segment result represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, impairment loss on loan receivable, share of results of associates, fair value gain on investments held for trading and finance costs. This is the measure reported to the executive directors, the Group's chief operating decision maker, for performance assessment and resource allocation.

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

#### 4. OTHER INCOME

Other income comprises:

|   | Six months ended |               |
|---|------------------|---------------|
|   | 30.6.2015        | 30.6.2014     |
|   | HK\$'000         | HK\$'000      |
| Dividends from listed securities  | 1,721            | 98            |
| Gain on disposal of property, plant and equipment, net                              | 205              | 10            |
| Interest income on bank deposits  | 65,672           | 65,322        |
| Interest income from independent third party  | –                | 25,949        |
| Interest income on listed senior notes classified<br>as investment held for trading | 116              | 1,757         |
| Interest income on entrusted loans receivable                                       | 3,612            | 636           |
| Others  | 1,159            | 1,466         |
|   | <u>72,485</u>    | <u>95,238</u> |

#### 5. FINANCE COSTS

|  | Six months ended |              |
|--|------------------|--------------|
|  | 30.6.2015        | 30.6.2014    |
|  | HK\$'000         | HK\$'000     |
| Interest on bank borrowings              |                  |              |
| – wholly repayable within five years     | 4,549            | 4,440        |
| – not wholly repayable within five years | 2,410            | 3,987        |
|  | <u>6,959</u>     | <u>8,427</u> |

## 6. TAXATION

| Six months ended |           |
|------------------|-----------|
| 30.6.2015        | 30.6.2014 |
| HK\$'000         | HK\$'000  |

The charge comprises:

|                           |               |               |
|---------------------------|---------------|---------------|
| Current tax               |               |               |
| PRC Enterprise Income Tax | 17,562        | 29,257        |
| Deferred taxation         | 13,411        | 8,838         |
|                           | <u>30,973</u> | <u>38,095</u> |

No provision for Hong Kong Profits Tax had been made in the condensed consolidated financial statements as the amount involved was insignificant.

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% (six months ended 30 June 2014: 25%) of their assessable profits for the six months ended 30 June 2015 according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

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

Deferred taxation charge for the period represents deferred tax arising from revaluation of investment properties and undistributed profits of subsidiaries. Deferred taxation on undistributed profits of subsidiaries has been recognised taking into account the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the relevant tax rules and regulations of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders.



## 7. PROFIT FOR THE PERIOD

| Six months ended |           |
|------------------|-----------|
| 30.6.2015        | 30.6.2014 |
| HK\$'000         | HK\$'000  |

Profit for the period has been arrived at after charging:

|   |        |        |
|---|--------|--------|
| Depreciation of property, plant and equipment | 36,696 | 5,102  |
| Release of prepaid lease payments             | 679    | 731    |
| Exchange loss                                 | 8,552  | 11,290 |
| Share-based payments                          | 15,181 | —      |

## 8. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period (six months ended 30 June 2014: nil). The directors have determined that no dividend will be paid in respect of the current interim period.

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted (2014: basic) earnings per share attributable to the owners of the Company is based on the following data:

| Six months ended |           |
|------------------|-----------|
| 30.6.2015        | 30.6.2014 |
| HK\$'000         | HK\$'000  |

Earnings for the period attributable to owners of the Company for the purpose of basic and diluted (2014: basic) earnings per share

|        |        |
|--------|--------|
| 14,748 | 22,896 |
|--------|--------|

| Number of shares |           |
|------------------|-----------|
| 30.6.2015        | 30.6.2014 |

Number of ordinary shares for the purpose of basic and diluted (2014: basic) earnings per share

|               |               |
|---------------|---------------|
| 3,541,112,832 | 3,541,112,832 |
|---------------|---------------|

The computation of diluted earnings per share for the six months ended 30 June 2015 did not assume the exercise of the Company's outstanding share options as the exercise price of each of those options was higher than the average market price of the Company's shares for that period.

No diluted earnings per share for six months ended 30 June 2014 have been presented as there were no potential ordinary shares outstanding during that period.

# 10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|   | 30.6.2015<br>HK\$'000 | 31.12.2014<br>HK\$'000 |
|---|-----------------------|------------------------|
| Trade receivables                               | 7,122                 | 7,662                  |
| Interest receivables                            | 8,250                 | 10,215                 |
| Amount due from investee companies              | 6,414                 | 6,414                  |
| Deposits in the brokers' houses ( <i>Note</i> ) | 127,866               | 134,648                |
| Other receivables, deposits and prepayments     | 30,284                | 29,965                 |
|   | <u>179,936</u>        | <u>188,904</u>         |

*Note:* Deposits in the brokers' houses are for security trading purposes, the deposits are interest-free, have no maturity date and there is no restriction on withdrawal of deposits.

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 the invoice dates at the end of reporting period, which is approximated respective recognition dates:

|                | 30.6.2015<br>HK\$'000 | 31.12.2014<br>HK\$'000 |
|----------------|-----------------------|------------------------|
| Aged:          |                       |                        |
| 0 to 60 days   | 5,844                 | 7,236                  |
| 61 to 180 days | 682                   | 256                    |
| Over 180 days  | 596                   | 170                    |
|                | <u>7,122</u>          | <u>7,662</u>           |

# 11. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

|  | 30.6.2015<br>HK\$'000 | 31.12.2014<br>HK\$'000 |
|--|-----------------------|------------------------|
| Trade payables   | 56,977                | 57,245                 |
| Other payables for construction work                           | 290,419               | 293,092                |
| Deposits and receipts in advance for rental and management fee | 119,397               | 115,106                |
| Payroll payables   | 11,314                | 19,724                 |
| Other tax payables   | 18,061                | 19,905                 |
| Salaries payables and staff welfare payables                   | 37,872                | 37,886                 |
| Other payables and accrued charges                             | 32,065                | 30,335                 |
|  | <u>566,105</u>        | <u>573,293</u>         |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

|                 | <b>30.6.2015</b>       | 31.12.2014      |
|-----------------|------------------------|-----------------|
|                 | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Aged:           |                        |                 |
| 0 to 90 days    | <b>7,087</b>           | 6,832           |
| 91 to 180 days  | <b>4,344</b>           | 1,977           |
| 181 to 360 days | <b>2,111</b>           | 1,938           |
| Over 360 days   | <b>43,435</b>          | 46,498          |
|                 | <hr/>                  | <hr/>           |
|                 | <b>56,977</b>          | 57,245          |
|                 | <hr/> <hr/>            | <hr/> <hr/>     |

## MANAGEMENT DISCUSSION AND ANALYSIS

The PRC's gross domestic product (GDP) expanded 7.0% year-on-year in the first half of 2015, 0.4 percentage points less than last year. Second quarter GDP grew by 7.0% over a year ago, or 1.7% over the previous quarter, in line with market expectations. Although first-half growth was markedly slower than the last year, the second quarter saw a trend of stabilization emerging with some economic indicators showing signs of improvement in June for the year. It is likely the economy would see better growth in the second half than the first.

For the first six months of 2015, total investment in real estate development amounted to RMB4,395.5 billion in PRC, an increase of 4.6% year-on-year, and 0.5 percentage points lower than the first five months. Of the amount, investment in residential buildings was RMB2,950.6 billion, up 2.8% and 0.1 percentage points lower correspondingly, accounting for 67.1% of total investment in real estate development.

Putting the year-on-year figures of total real estate development investment figures into perspective, it revealed a continued decline in investment growth which, albeit narrowing in extent, has yet to bottom out. Whilst favourable policies to stabilize housing consumption have been rolled out in the first half, the market was mainly engrossed in de-inventory and digestion rather than investment. We believe this is a positive, self-adjustment process of the market. In the second half, real estate development investment is likely to hit bottom and gradually recover, driven by a rebound in property markets in the first and second-tier cities. However, such rebound is not expected to be ferocious.

For the six months ended 30 June 2015, the Group's turnover amounted to HK\$164.6 million, an increase of 15% over the same period last year. Gross profit dropped by 22% to HK\$69.7 million. Profit attributable to owners of the Company amounted to HK\$14.7 million, a decrease of 36%. Basic earnings per share dropped similarly by 35% to HK0.42 cents.

### PROPERTY RENTAL

For the six months ended 30 June 2015, total rental income amounted to HK\$79.4 million, an increase of 21% over the same period last year.

The rental income was mainly contributed by the commercial complexes of *The Vi City*, Sinolink Garden Phase One to Four and *Sinolink Tower*.

#### **Sinolink Tower**

Located in Luowu district in Shenzhen, *Sinolink Tower*, the hotel and office complex of Sinolink Garden Phase Five, has a total gross floor area ("GFA") of 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As at 30 June 2015, occupancy rate of the *Sinolink Tower* office building was 85%. Tenants are mainly engaged in jewelry, investment and real estate business.

*O Hotel*, the Group's first personalised hotel, has 189 rooms and suites, as well as a stylish restaurant, a specialty coffee shop, and premium fitness club facilities. The hotel commenced trial operation in the fourth quarter of 2014, the market in nurturing among, and the business conditions is gradually improved.

## **PROPERTIES UNDER DEVELOPMENT**

As at 30 June 2015, the Group has the following properties under development:

### **1. Rockbund**

Located on the Bund in Shanghai, *Rockbund* is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. 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, food and beverages, offices and cultural facilities. The preserved heritage buildings have commenced operation with leasing in progress. Capital works of the new structures have been finished and the whole project is expected to be completed in 2017.

### **2. Ningguo Mansions**

Located at Changning District in Shanghai, *Ningguo Mansions* is a residential development under construction. The project, a 13,599.6 square meter site with a plot ratio of 1.0, will be developed into 11 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. Situated in one of the most accessible and low-density luxury living districts in Shanghai, *Ningguo Mansions* is approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

The project is proceeding with deluxe decoration of the garden area, façade renovation and other facility installation works, which are expected to be completed in the second half of 2016.

## **MAJOR ASSOCIATE**

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK\$50.3 million for the six months ended 30 June 2015, an increase of 9% compared with the same period last year, due to change in the fair value of investment properties held by the associate.

## **OTHER BUSINESSES**

Other businesses within the Group include property, facilities and project management. For the six months ended 30 June 2015, the Group recorded revenue of HK\$85.2 million from other businesses, an increase of 11% compared with the same period last year.

## **PROSPECTS**

Looking forward, the PRC's economy is expected to continue its steady improvement in the second half of 2015 on the heels of the first. Judging from the fundamentals, the economy still carries ample power and potential to sustain medium to high-speed growth. The unfinished urbanization and industrialization is in acceleration, which along with the upgrade of information technology as represented by "internet plus", will continue to give new growth impetus. The efficacy of the newly released policies and measures in the first half will be further displayed in the days to come. In particular, the marked recovery of the real estate industry in the second quarter, as illustrated by significant growth in recent months in real estate investment, marketing and new construction, as the impact of real estate is relatively larger, which will play a boosting role, given a stabilized real estate industry drives the related business positively. The related benefits from innovation is set to be released.

## **FINANCIAL REVIEW**

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's bank borrowings decreased from HK\$239.5 million as at 31 December 2014 to HK\$219.5 million as at 30 June 2015. Gearing ratio as at 30 June 2014, calculated on the basis of bank borrowings over shareholders' equity, was 2.9% compared to 3.2% as at 31 December 2014. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing bank loans had a carrying value of HK\$1,449.3 million as at 30 June 2015. The bank borrowings of the Group are denominated in RMB. 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 and interest rates movements on the Group.

The Group's cash and cash equivalents amounted to HK\$2,992.4 million (including pledged bank deposits) as at 30 June 2015 and were mostly denominated in RMB, HKD and USD.

## **CAPITAL COMMITMENTS**

As at 30 June 2015, the Group had capital commitments in respect of properties under development amounting to HK\$109.0 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\$47.4 million.

## **INTERIM DIVIDEND**

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2015 (2014: Nil).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2015, the Group employed approximately 907 full time employees for its principal activities. The Group recognizes the importance of high caliber 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 share option scheme adopted by the Group.

## **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 six months ended 30 June 2015.

## **CORPORATE GOVERNANCE**

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") of 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 (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30 June 2015, all Directors have complied with the required standard set out in the Model Code.

## **AUDIT COMMITTEE**

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

The interim results of the Group for the six months ended 30 June 2015 had not been audited, but had been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Audit Committee.



## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board  
**SINOLINK WORLDWIDE HOLDINGS LIMITED**  
**TANG Yui Man Francis**  
*Chairman*

Hong Kong, 6 August 2015

*As at the date of this announcement, the Board comprises Mr. TANG Yui Man Francis (Chairman), Mr. XIANG Ya Bo (Chief Executive Officer) and Mr. CHEN Wei as Executive Directors and Mr. OU Yaping and Mr. LAW Sze Lai as Non-executive Directors and Mr. TIAN Jin, Dr. XIANG Bing and Mr. XIN Luo Lin as Independent Non-executive Directors.*