



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2007 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2007

- Turnover from continuing operations up 8.3% to HK\$1,911.0 million
- Gross profit from continuing operations up 38.3% to HK\$1,275.3 million
- Profit attributable to equity holders of the Company up 43.3% to HK\$997.3 million
- Basic Earnings Per Share up 40.0% to HK30.86 cents
- Declared an interim dividend of HK3.0 cents per Share

INTERIM RESULTS

The Board of Directors (the “Board” or “Directors”) of Sinolink Worldwide Holdings Limited (the “Company” or “Sinolink”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2007, together with the comparative figures of the corresponding period in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2007

		Six months ended 30.6.2007 HK\$'000 (unaudited)	30.6.2006 HK\$'000 (unaudited)
	NOTES		
Continuing operations			
Turnover	3	1,910,957	1,763,921
Cost of sales		(635,621)	(841,613)
Gross profit		1,275,336	922,308
Other income		115,887	127,516
Selling expenses		(22,402)	(49,368)
Administrative expenses		(52,635)	(57,021)
Increase in fair value of investment properties		58,214	–
Share of results of associates		(76,241)	(182,112)
Gain on deemed disposal	5	322,755	–
Profit before taxation	6	1,620,914	761,323
Taxation	7	(526,782)	(313,545)
Profit for the period from continuing operations		1,094,132	447,778
Discontinued operations			
Profit for the period from discontinued operations	8	–	260,929
Profit for the period		1,094,132	708,707
Attributable to:			
Equity holders of the Company		997,319	696,054
Minority interests		96,813	12,653
		1,094,132	708,707
Dividends	9	100,635	1,052,652
Earnings per share	10	HK cents	HK cents
From continuing and discontinued operations			
Basic		30.86	22.05
Diluted		30.57	21.69
From continuing operations			
Basic		30.86	12.08
Diluted		30.57	11.89

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2007

	NOTES	30.6.2007 HK\$'000 (unaudited)	31.12.2006 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	42,274	43,668
Prepaid lease payments		4,991	4,876
Investment properties		843,634	761,243
Interest in associates		1,269,671	963,412
Available-for-sale investments		3,064	3,001
Loan receivable	12	1,397,714	1,328,081
		<u>3,561,348</u>	<u>3,104,281</u>
Current assets			
Stock of properties		1,574,901	1,919,175
Trade and other receivables	13	298,882	40,938
Prepaid lease payments		83	83
Amount due from an associate		33,103	4,929
Investment held for trading		33,488	—
Pledged bank deposits		9,415	20,607
Bank balances and cash		1,642,809	495,245
		<u>3,592,681</u>	<u>2,480,977</u>
Current liabilities			
Trade and other payables	14	430,423	561,062
Taxation payable		241,918	96,910
Borrowings – amount due within one year		159,138	154,229
		<u>831,479</u>	<u>812,201</u>
Net current assets		<u>2,761,202</u>	<u>1,668,776</u>
Total assets less current liabilities		<u>6,322,550</u>	<u>4,773,057</u>
Non-current liabilities			
Borrowings – amount due after one year		451,745	338,308
Deferred taxation		635,318	287,993
		<u>1,087,063</u>	<u>626,301</u>
		<u>5,235,487</u>	<u>4,146,756</u>
Capital and reserves			
Share capital	15	323,896	286,377
Reserves		4,500,958	3,543,050
Equity attributable to equity holders of the Company		<u>4,824,854</u>	<u>3,829,427</u>
Minority interests		<u>410,633</u>	<u>317,329</u>
		<u>5,235,487</u>	<u>4,146,756</u>

Notes:

1. GENERAL

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

The principal activities of the Group are property development and property investment. In prior period, the Group was also engaged in sale and distribution of liquefied petroleum gas and natural gas (“Gas Fuel”), construction of gas pipelines and supply of electricity. These operations were discontinued in that period (see note 8).

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, a number of new standard, amendment and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2007.

The adoption of these new HKFRSs has had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

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

HKAS 23 (Revised)	Borrowing costs ¹
HKFRS 8	Operating segments ¹
HK(IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions ²
HK(IFRIC) – INT 12	Service concession arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

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

3. SEGMENT INFORMATION

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

In prior period, the Group was also involved in gas fuel business and electricity supplies. These operations were discontinued on 13 April 2006 (see note 8).

Segment information about these businesses is presented below.

Six months ended 30 June 2007

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER					
External sales	1,864,125	7,334	39,498	–	1,910,957
Inter-segment sales	<u>–</u>	<u>–</u>	<u>911</u>	<u>(911)</u>	<u>–</u>
	<u>1,864,125</u>	<u>7,334</u>	<u>40,409</u>	<u>(911)</u>	<u>1,910,957</u>
SEGMENT RESULT	<u>1,196,557</u>	<u>6,767</u>	<u>14,009</u>	<u>–</u>	<u>1,217,333</u>
Other income					115,887
Unallocated corporate expenses					(17,034)
Increase in fair value of investment properties	–	58,214	–	–	58,214
Share of results of associates					(76,241)
Gain on deemed disposal					<u>322,755</u>
Profit before taxation					1,620,914
Taxation					<u>(526,782)</u>
Profit for the period					<u>1,094,132</u>

Inter-segment sales are charged at prevailing market prices.

Six months ended 30 June 2006

	Continuing operations					Discontinued operations			Consolidated
	Property development HK\$'000	Property investment HK\$'000	Others HK\$'000	Eliminations HK\$'000	Sub-total HK\$'000	Gas fuel business HK\$'000	Electricity supplies HK\$'000	Sub-total HK\$'000	
TURNOVER									
External sales	1,722,661	6,601	34,659	–	1,763,921	657,071	345,318	1,002,389	2,766,310
Inter-segment sales	–	–	864	(864)	–	–	–	–	–
	<u>1,722,661</u>	<u>6,601</u>	<u>35,523</u>	<u>(864)</u>	<u>1,763,921</u>	<u>657,071</u>	<u>345,318</u>	<u>1,002,389</u>	<u>2,766,310</u>
SEGMENT RESULT	<u>816,256</u>	<u>5,879</u>	<u>19,324</u>	<u>–</u>	<u>841,459</u>	<u>108,606</u>	<u>33,410</u>	<u>142,016</u>	<u>983,475</u>
Other income					127,516			31,189	158,705
Discount on acquisition of subsidiaries/additional interest of a subsidiary					–			12,998	12,998
Unallocated corporate expenses					(25,540)			(13,085)	(38,625)
Gain on disposal of subsidiaries					–			279,205	279,205
Loss on deemed disposal of subsidiaries	–	–	–	–	–	(2,098)	–	(2,098)	(2,098)
Share of results of associates					(182,112)			(176)	(182,288)
Changes in fair value of derivative financial instruments					–			(113,761)	(113,761)
Finance costs					–			(71,923)	(71,923)
Profit before taxation					761,323			264,365	1,025,688
Taxation					(313,545)			(3,436)	(316,981)
Profit for the period					<u>447,778</u>			<u>260,929</u>	<u>708,707</u>

Inter-segment sales are charged at prevailing market prices.

4. FINANCE COSTS

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.6.2007	30.6.2006	30.6.2007	30.6.2006	30.6.2007	30.6.2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on:						
Bank and other borrowings wholly repayable within five years	17,590	14,089	–	18,236	17,590	32,325
Senior notes	–	–	–	32,702	–	32,702
Convertible bonds	–	–	–	4,195	–	4,195
	17,590	14,089	–	55,133	17,590	69,222
Net interest payable on interest rate swaps	–	–	–	16,790	–	16,790
	17,590	14,089	–	71,923	17,590	86,012
Less: Amount capitalised to properties under development for sale	(17,590)	(14,089)	–	–	(17,590)	(14,089)
	–	–	–	71,923	–	71,923

5. GAIN ON DEEMED DISPOSAL

During the current period, the shareholdings of Enerchina Holdings Limited (“Enerchina”), an associate of the Group, in Towngas China Company Limited (“Towngas China”) (formerly known as Panva Gas Holdings Limited (“Panva”)) was diluted as a result of a very substantial acquisition and a very substantial disposal of Enerchina, details of which are included in a circular of Enerchina dated 30 January 2007. Accordingly, the Group’s unrealised gain, to the extent of reduction in shareholdings of Towngas China arising from the deemed disposal of the Group’s interest in Panva (now name changed to Towngas China) to Enerchina upon the group restructuring exercise in 2005 was recognised during the period.

6. PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.6.2007	30.6.2006	30.6.2007	30.6.2006	30.6.2007	30.6.2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:						
Depreciation of property, plant and equipment	3,082	4,629	–	49,299	3,082	53,928
Release of prepaid lease payments	42	–	–	1,048	42	1,048
Share of tax of associates (included in share of results of associates)	253	1,796	–	514	253	2,310
and after crediting:						
Interest income (included in other income):						
– bank deposits	7,126	7,952	–	9,001	7,126	16,953
– loan receivables	105,878	116,605	–	1,202	105,878	117,807
Gain on fair value changes on investments held for trading	179	–	–	17,476	179	17,476

7. TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.6.2007	30.6.2006	30.6.2007	30.6.2006	30.6.2007	30.6.2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The charge comprises:						
PRC Enterprise Income Tax	180,840	123,919	–	3,436	180,840	127,355
PRC land appreciation tax	6,153	4,105	–	–	6,153	4,105
	186,993	128,024	–	3,436	186,993	131,460
Deferred taxation	339,789	185,521	–	–	339,789	185,521
	526,782	313,545	–	3,436	526,782	316,981

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Subsidiaries established and operated in the People's Republic of China (the "PRC") are mainly subject to PRC Enterprise Income Tax at the rate of 15% (six months ended 30 June 2006: ranging from 15% to 33%) for the period ended 30 June 2007.

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No.63 of the President of the PRC which will take effect on 1 January 2008. The New Law will impose a single income tax rate of 25% for both domestic and foreign invested enterprises. However, the detailed implementation rules regarding the New Law have yet to be made public. Consequently, the Group is not able to make an estimate of the expected financial effect of the New Law on its deferred tax liabilities as at 30 June 2007.

8. DISCONTINUED OPERATIONS

On 22 March 2006, the Board of the Company declared a special interim dividend to be satisfied by way of a distribution in specie of shares of Enerchina held by the Company in the proportion of 5 Enerchina shares for every 10 shares held by the shareholders of the Company. Following the distribution in specie on 13 April 2006, whereby bringing the shareholding of the Company in Enerchina from 74.79% to 45.39%, Enerchina became an associate of the Company after the distribution.

Profit for the period from discontinued operations from 1 January 2006 to 13 April 2006 was analysed as follows:

	<i>HK\$'000</i>
Loss of gas fuel business and electricity supplies operations for the period	(16,178)
Gain on disposal of gas fuel business and electricity supplies operations	279,205
Loss on deemed disposal of subsidiaries	(2,098)
	<u>260,929</u>

The results of the gas fuel business and electricity supplies operations for the period from 1 January 2006 to 13 April 2006, which have been included in the condensed consolidated income statement were as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Turnover	3	1,002,389
Cost of sales		<u>(792,270)</u>
Gross profit		210,119
Other income		31,189
Discount on acquisition of subsidiaries/ additional interest of a subsidiary		12,998
Distribution and selling expenses		(20,850)
Administrative expenses		(55,079)
Other expenses		(5,259)
Gain on disposal/partial disposal of subsidiaries		279,205
Loss on deemed disposal of subsidiaries		(2,098)
Share of results of associates		(176)
Changes in fair value of derivative financial instruments		(113,761)
Finance costs	4	<u>(71,923)</u>
Profit before taxation	6	264,365
Taxation	7	<u>(3,436)</u>
Profit for the period		<u><u>260,929</u></u>
Attributable to:		
Equity holders of the Company		314,718
Minority interests		<u>(53,789)</u>
		<u><u>260,929</u></u>

9. DIVIDENDS

	Six months ended	
	30.6.2007	30.6.2006
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
2006 final, paid – HK3.5 cents (2005 final: HK3.5 cents) per share	100,635	99,768
2006 special interim dividend in specie – (note)	<u>–</u>	<u>952,884</u>
	<u>100,635</u>	<u>1,052,652</u>

Subsequent to 30 June 2007, the directors have resolved to declare an interim dividend of HK3.0 cents (2006: HK3.0 cents) per share in respect of six months ended 30 June 2007. The interim dividend will be paid to the shareholders of the Company whose names appear in the Register of Members on 5 October 2007.

Note: On 22 March 2006, the Board declared a special interim dividend to be satisfied by way of a distribution in respect of Enerchina shares held by the Company in proportion of 5 Enerchina shares for every 10 shares held by the shareholders of the Company. A total of 1,422,214,344 Enerchina shares with aggregate market value worth of HK\$952,884,000 were distributed to the shareholders of the Company on 13 April 2006.

10. EARNINGS PER SHARE

For continuing and discontinued operations

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

	Six months ended	
	30.6.2007	30.6.2006
	HK\$'000	HK\$'000
Earnings for the purpose of basic earnings per share, being profit for the period attributable to equity holders of the Company	997,319	696,054
Effect of dilutive potential shares:		
Adjustment to the share of results of subsidiaries based on dilution of their earnings per share	—	(122)
Earnings for the purpose of diluted earnings per share	997,319	695,932
	Number of shares	
	30.6.2007	30.6.2006
	HK\$'000	HK\$'000
Weighted average number of shares for the purposes of basic earnings per share	3,231,833,220	3,156,632,463
Effect of dilutive potential ordinary shares:		
Share options	30,512,311	51,737,416
Weighted average number of shares for the purpose of diluted earnings per share	3,262,345,531	3,208,369,879

Note: The computation of basic and diluted earnings per share for the six months ended 30 June 2006 has been adjusted for the effect of bonus issue during the period.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the equity holders of the Company is based on the following data:

	Six months ended	
	30.6.2007	30.6.2006
	HK\$'000	HK\$'000
Profit for the period attributable to equity holders of the Company	997,319	696,054
Less: Profit for the period attributable to equity holders of the Company from discontinued operations	<u>—</u>	<u>(314,718)</u>
Earnings for the purpose of basic and diluted earnings per share from continuing operations	<u>997,319</u>	<u>381,336</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic earnings per share for the discontinued operations is HK9.97 cents per share and diluted earnings per share for the discontinued operations is HK9.81 cents per share for the six months ended 30 June 2006, based on the profit for that period attributable to equity holders of the Company from the discontinued operations for the purpose of basic and diluted earnings per share of HK\$314,718,000 and HK\$314,596,000 respectively. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$293,000 (six months ended 30 June 2006: HK\$52,963,000) on acquisition of property, plant and equipment.

12. LOAN RECEIVABLE

	30.6.2007	31.12.2006
	HK\$'000	HK\$'000
Shareholder's loan receivable		
Principal (<i>note</i>)	1,230,884	1,230,884
Interest receivable	<u>276,641</u>	<u>170,763</u>
	1,507,525	1,401,647
Less: Loss allocated in excess of cost of investment	<u>(109,811)</u>	<u>(73,566)</u>
	<u>1,397,714</u>	<u>1,328,081</u>

Note: The amount represents shareholder's loan receivable from the Group's associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), for financing a property development project in Shanghai, which carries simple interest rate at 20% per annum on the total agreed financing amount of US\$169 million (equivalent to approximately HK\$1,310 million) and forms part of the net investment of the Group in RGAP. The amount is unsecured and not repayable in the foreseeable future.

13. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period ranging from 0 to 180 days to its customers. Included in trade and other receivables are trade receivables of HK\$82,242,000 (31.12.2006: HK\$1,216,000), the aged analysis of which is as follows:

	30.6.2007 HK\$'000	31.12.2006 <i>HK\$'000</i>
Aged:		
0 to 90 days	81,755	653
91 to 180 days	244	163
181 to 360 days	243	306
over 360 days	<u>—</u>	<u>94</u>
	<u>82,242</u>	<u>1,216</u>

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$262,731,000 (31.12.2006: HK\$386,389,000), the aged analysis of which is as follows:

	30.6.2007 HK\$'000	31.12.2006 <i>HK\$'000</i>
Aged:		
0 to 90 days	226,211	357,951
91 to 180 days	11,207	14,700
181 to 360 days	12,256	2,209
over 360 days	<u>13,057</u>	<u>11,529</u>
	<u>262,731</u>	<u>386,389</u>

15. SHARE CAPITAL

	30.6.2007 HK\$'000	31.12.2006 HK\$'000
Shares of HK\$0.10 each		
Authorised:		
4,800,000,000 shares of HK\$0.10 each	<u>480,000</u>	<u>480,000</u>
Issued and fully paid:		
3,238,959,774 shares (31.12.2006: 2,863,768,688) of HK\$0.10 each	<u>323,896</u>	<u>286,377</u>

A summary of the movements in the issued capital of the Company is as follows:

	<i>No. of shares</i>	<i>HK\$'000</i>
At 1 January 2007	2,863,768,688	286,377
Issue of shares on exercise of share options	15,778,750	1,578
Bonus issue of shares	<u>359,412,336</u>	<u>35,941</u>
At 30 June 2007	<u>3,238,959,774</u>	<u>323,896</u>

During the period, bonus issue of one new share of HK\$0.10 was credited as fully paid for every eight shares held by the shareholders whose name appeared on the register of members of the Company on 23 May 2007.

BUSINESS REVIEW

For the six months ended 30 June 2007, the Group achieved remarkable results with turnover of HK\$1,911.0 million, representing an increase of 8.3% as compared to the same period last year. Gross profit increased to HK\$1,275.3 million for the six months ended 30 June 2007, an increase of 38.3% as compared to the same period last year. Profit for the period attributable to equity holders of the Company increased to HK\$997.3 million, representing an increase of 43.3% as compared to the same period last year. Basic earnings per share were HK30.86 cents, representing an increase of 40.0% as compared to the same period last year.

The outstanding performance is attributable to the strong contribution from the Group's property sales, namely, the sale of units in *The Mangrove West Coast* in Shenzhen, improved operating results of our associate, Enerchina Holdings Limited ("Enerchina", stock code: 622) and gain on the deemed disposal from the Group's unrealised gain, to the extent of reduction in shareholdings in Towngas China Company Limited ("Towngas China", Stock code: 1083) (formerly known as Panva Gas Holdings Limited) arising from the deemed disposal of the Group's interest in Towngas China to Enerchina upon the group restructuring exercise in 2005.

Property Sales

For the six months ended 30 June 2007, the Group recorded a turnover of HK\$1,864.1 million from property sales, representing an increase of 8.2% as compared to the same period last year. The Group sold a total of approximately 52,892 square metres in gross floor area during the period as compared to 79,152 square metres for the same period last year. Property sales for the period were mainly derived from the sale of *The Mangrove West Coast*, which is a development project in Shenzhen with a total gross floor area of approximately 249,591 square metres comprising 1,302 units. *The Mangrove West Coast* was completed and ready for occupancy in June 2006.

Gross profit increased by 39.9% to HK\$1,253.7 million for the period as compared to HK\$896.2 million for the same period last year as a result of the significantly higher contribution margin and average selling price of *The Mangrove West Coast*. There was a significant increase in the average selling price of *The Mangrove West Coast* from RMB27,903 per square metre in 2006 to RMB36,632 per square metre in 2007, representing an increase of approximately 31.3% or RMB8,729 per square metre.

Property Rental

For the six months ended 30 June 2007, turnover from the Group's investment properties was HK\$7.3 million, representing an increase of 10.6% as compared to the same period last year. The investment properties consist of mainly retail space in Sinolink Garden with a total gross floor areas of 23,337 square metres and approximately 3,280 parking spaces.

Properties Under Development

As at 30 June 2007, the Group has the following properties under development:

- (1) Sinolink Garden Phase Five, *The Oasis Plaza*, is a development project with a total site area of 40,786 square metres and a total gross floor area of 226,231 square metres. The Group intends to develop this development project into a residential and commercial complex. We have recently added Pizza Hut to our anchor tenants list. The construction works commenced in 2006 and is expected to be completed on schedule, by the second half of 2008;
- (2) Shanghai Bund de Rockefeller Group or *Rock Bund*, is a joint development project with the Rockefeller Group International Inc. The project has a total site area of 18,000 square metres and total gross floor area of 94,080 square metres. The Group intends to redevelop this historical site into an upscale mixed-use neighborhood, with residential, commercial, retail, offices and hotel facilities. This development project is currently under planning and design. It is expected to be completed on schedule, in time for the 2010 Shanghai World Expo and initial contacts with anchor tenants have already commenced.

Major Associates

For the six months ended 30 June 2007, the electricity generation business of Enerchina recorded a turnover of HK\$617.2 million, a decrease of 15.2% and sold 991.9 million kwh of electricity, representing a decrease of 20.3% as compared to the same period last year. The decrease was mainly caused by the repaired power generating unit, which was shut down from July to December 2006, having to undergo test runs in the first quarter of 2007 before operating at capacity.

For the six months ended 30 June 2007, we saw continued challenges for the electricity generation business due to the high fuel cost and the reduced fuel subsidy amount received from the Shenzhen Government. Despite the efforts of the management in improving productivity and strengthening fuel procurement and inventory control, the gross profit margin of power generation for the period decreased by 2.8% as compared to the same period last year. At present, Enerchina is continuing with conversion works on the existing power plants to add natural gas as an alternative fuel source to heavy oil, in an effort to reduce the cost of generating electricity. The conversion works is expected to be completed and will undergo a trial run in using natural gas in the last quarter of 2007.

On 4 December 2006, Towngas China and Hong Kong & China Gas (China) Limited (“HKCG”) announced that Towngas China has agreed to acquire the entire issued share capital of each of the eight companies held by HKCG (collectively the “Target Companies”), which hold equity interests in ten PRC companies that are engaged in piped gas fuel businesses. Towngas China also agreed that it would take assignment of the outstanding loans due from the Target Companies to HKCG or its associates, being approximately HK\$568.1 million, together with all interest accrued thereon, if any. In consideration of the acquisition (which includes taking assignment of the shareholder loans), Towngas China agreed to issue approximately 773 million new shares to HKCG, which represented 43.97% of the enlarged issued share capital of Towngas China. The resolutions related to the agreement were approved at the extraordinary general meeting of Towngas China and the special general meeting of Enerchina and the completion of the agreement took place on 1 March 2007, upon which HKCG became the single largest shareholder of Towngas China and Enerchina’s shareholding in Towngas Gas was reduced from 57.94% to 32.47%.

In order to maintain the public float of Towngas China at the minimum level of 25%, on the same date, Enerchina placed down 33,918,400 shares in Towngas China at the placing price of HK\$3.77, raising HK\$126.1 million. The placement further reduced Enerchina’s shareholding in Towngas China to 30.54%.

For the six month ended 30 June 2007, Towngas China reported a significant turn around from a loss making position to a profitable one. As a result, Enerchina reported improved results due to the increase in share of results of associate and reduced loss from discontinued operation.

PROSPECTS

For the first half of 2007, China maintained its rapid pace of economic expansion with GDP growth reaching 11.9% on a year-on-year basis. In view of this strong growth the Group expects the momentum of sales to continue in the second half of 2007. During the period, the Chinese government continued to implement new austerity measures designed to maintain the healthy development of the property market. These measures include raising the benchmark rate for bank loans, imposition of value-added tax for capital gains from disposal of properties and restrictions of properties purchase by foreign buyers. The Group believes that these measures will not have an adverse impact on the overall property market in the medium to long term as the market is supported by solid fundamentals and strong underlying demand.

The Group remains committed to its long term development strategy in the first tier cities of the PRC, and will continue to expand its portfolio in line with this strategy. We see the effects of the austerity measures as an opportunity to accelerate our growth by capitalizing on our “Sinolink” brand name and development model. The Group is also planning to increase its investment property portfolio so as to secure a stable income stream and position the Group for capital appreciation in the future.

In the second half of 2007, the Group will continue the sale of *The Mangrove West Coast* in Shenzhen. The prospects for this exceptional and distinctive project are positive given the continuing economic growth, rising disposable income and scarce supply of new high quality properties in Shenzhen. With the opening of the Western Corridor in July 2007, which shortens travel time between Hong Kong and Shenzhen and further increases interest in purchases, we expect demand and average selling prices to continue to rise in the second half of 2007.

Our other projects, including our first venture in Shanghai, *Rock Bund*, and *The Oasis Plaza* in Shenzhen, are progressing well. Restoration and conservation works on the historic buildings in *Rock Bund* have commenced and we expect to start construction of the new buildings at *Rock Bund* soon thereafter. We also plan to launch the presale of *The Oasis Plaza* in early 2008.

In the meantime, we are actively negotiating to add new development and investment projects to our portfolio before the end of the year.

We remain positive on the prospects of our strategic investments in Enerchina and Towngas Gas which have both shown improved results for the first half of 2007. Together with HKCG, Towngas China will be able to strengthen its market position and become the leading piped gas operator in the PRC. Towngas China will also benefit from the financial strength, management experience and operational and technical expertise of HKCG and achieve potential operational synergies. We expect Enerchina to benefit in its capacity as shareholder of Towngas China and ultimately generate substantial return to the Group. The Group will seek to capitalize on its value and enhance returns to our shareholders.

FINANCIAL REVIEW

The Group's total borrowings increased from HK\$492.5 million as at 31 December 2006 to HK\$610.9 million as at 30 June 2007. The net increase is mainly due to the drawdown of bank loans of HK\$102.7 million for the development of property projects. The total debt to equity ratio was 12.7%. The Group is in a net cash position. Bank borrowings are mainly at floating interest rates.

Total assets pledged in securing these loans have a net book value of HK\$667.6 million as at 30 June 2007. The 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 were used for hedging purpose; however, the Board is evaluating and closely monitoring the potential impact of RMB appreciation and interest rates movement on the Group.

The Group's cash and cash equivalents amounted to HK\$1,652.2 million (including pledged deposits) as at 30 June 2007 and are mostly denominated in RMB, Hong Kong dollars and US dollars.

CAPITAL COMMITMENTS

As at 30 June 2007, the Group has capital commitments in respect of the acquisition of properties under development of HK\$680.1 million and in respect of committed funding to an associate for a property redevelopment project of HK\$91.9 million.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchases of the Group's properties amounted to HK\$114.1 million.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.0 cents (2006: HK3.0 cents) per share in respect of the six months ended 30 June 2007. The interim dividend are payable on or before 12 October 2007 to shareholders whose names appear on the register of members of the Company on 5 October 2007.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to the interim dividend for the period ended 30 June 2007, the register of members of the Company will be closed from Tuesday, 2 October 2007 to Friday, 5 October 2007 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms together with relevant share certificates must be lodged with the Company's Hong Kong branch transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 28 September 2007.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2007, the Group employed approximately 883 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 SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2007.

CORPORATE GOVERNANCE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that in respect of the six months ended 30 June 2007, 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 Messrs. Xin Luo Lin, Davin A. Mackenzie and Tian Jin. 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 interim results of the Group for the six months ended 30 June 2007 had not been audited, but had been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/sinolink. The interim report will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

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
Ou Yaping
Chairman

Hong Kong, 13 September 2007

As at the date of this announcement, the Board comprises:

Executive directors

Ou Yaping (*Chairman*)

Tang Yui Man Francis (*Chief Executive Officer*)

Chen Wei

Li Ningjun

Non-executive director

Law Sze Lai

Independent non-executive directors

Davin A. Mackenzie

Tian Jin

Xin Luo Lin

* *for identification purpose only*

Website: <http://www.irasia.com/listco/hk/sinolink>

Please also refer to the published version of this announcement in South China Morning Post.