



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1168



Interim Report 2008



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUTHORISED REPRESENTATIVES

Ou Yaping

Tang Yui Man Francis

QUALIFIED ACCOUNTANT

Tiong Chek Hiong, Jacqueline

COMPANY SECRETARY

Lo Tai On

AUDIT COMMITTEE

Davin A. Mackenzie

Tian Jin

Xin Luo Lin (*Chairman*)

REMUNERATION COMMITTEE

Davin A. Mackenzie

Ou Yaping

Xin Luo Lin (*Chairman*)

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

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88 Queensway

Hong Kong

REGISTERED OFFICE

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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Stock Code : 1168

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke, HM 08

Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

46th Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

HONG KONG BRANCH SHARE TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712 – 1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

LEGAL ADVISORS

(*As to Hong Kong Law*)

Jackson, Woo & Associates

Norton Rose

Tsang, Chan & Wong

Woo, Kwan, Lee & Lo

(*As to Bermuda Law*)

Conyers Dill & Pearman

(*As to the PRC Law*)

Haiwen & Partners

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Bank of China (Shenzhen) Limited

Hang Seng Bank Limited

China Merchants Bank, Shenzhen Branch

Industrial and Commercial Bank of

China, Shenzhen Branch

China Construction Bank,

Shenzhen Branch

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FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2008

- **Turnover decreased 81.4% to HK\$354.6 million**
- **Gross Profit decreased 80.5% to HK\$248.9 million**
- **Profit attributable to equity holders of the Company decreased 92.5% to HK\$74.6 million**
- **Basic Earnings Per Share decreased 92.6% to HK2.27 cents**
- **Declared an interim dividend of HK3.0 cents per Share**

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2008, the Group achieved results with turnover amounting to HK\$354.6 million, a decrease of 81.4% as compared to same period last year. Gross profit decreased to HK\$248.9 million, or 80.5% lower than the same period last year. Profit attributable to equity holders of the Company decreased by 92.5% to HK\$74.6 million. Basic earnings per share were HK2.27 cents, representing a decrease of 92.6% over same period last year. The significant reduction in turnover which led to the decline in profit is attributable to the overall slow down in the sales of *The Mangrove West Coast* in Shenzhen, in line with the slow down in sales of properties all across China and in particular in Shenzhen.

Property Sales

For the period ended 30 June 2008, the Group recorded a turnover of HK\$297.0 million from property sales, a decrease of 84.1% as compared to same period last year. The Group sold a total of approximately 5,836.0 square metres in gross floor area ("GFA") during the period, a decrease of 89.0% compared to 52,891.9 square metres same period last year. Property sales for the period were derived solely from the sale of *The Mangrove West Coast*, a project in Shenzhen comprising 1,302 units with a total GFA of approximately 249,591 square metres. Gross profit decreased by 82.2% to HK\$223.7 million compared to HK\$1,253.7 million same period last year as a result of the significant decrease in GFA sold although the average selling price of *The Mangrove West Coast* increased from Renminbi ("RMB") 36,632 per square metre in 2007 to RMB47,672 per square metre in 2008, representing an increase of approximately 30.1% or RMB11,040 per square metre. Given the latest government policies and the lack of supply of large luxury projects in Shenzhen, the Group will maintain its sales strategy in *The Mangrove West Coast* to maximise the benefits of scarce luxury residential projects in prime location.

Property Rental

For the period ended 30 June 2008, turnover of the Group's property rental business was HK\$10.3 million, an increase of 41.1% over same period last year. The Group's investment properties consist of mainly retail space in Sinolink Garden with a total GFA of 23,337 square metres and approximately 3,280 parking spaces.

Properties Under Development

As at 30 June 2008, the Group has the following properties under development:

- (1) Sinolink Garden Phase Five, located in Luowu district in Shenzhen, is a development project with a total site area of 40,786 square metres and a total GFA of 226,231 square metres. The whole project includes four residential blocks with 940 units, a commercial complex with approximately 40,000 square metres of GFA, a hotel and offices.

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The residential portion of Sinolink Garden Phase Five, *The Seasons*, started pre-sales in June 2008. The pre-sales was greeted with an overwhelming response. By the end of August 2008, a total of 291 units, representing approximately 43,895 square metres of GFA, have signed purchase agreements with buyers, amounting to RMB1,062 million. The average selling price was RMB24,187 per square metre. The residential portion will be completed in the last quarter of this year.

The Vi City, the retail podium of Sinolink Garden Phase Five, with GFA of 40,000 square metres has completed construction work and is now starting the marketing campaign with potential tenants with good progress.

The office and hotel portion of Sinolink Garden Phase Five, is now under construction and expected to be completed by 2010.

- (2) Shanghai Bund de Rockefeller Group or *ROCKBUND*, located on the Bund in Shanghai, is a joint development project with the Rockefeller Group International Inc. The project has a total site area of 18,000 square metres and a total GFA of 94,080 square metres. The Group intends to redevelop this historical site into an upscale mixed-use neighborhood, with residential, commercial, retail, offices and hotel facilities. This development project is currently in the planning and design stage and will be launched into the market to coincide with the Shanghai World Expo in 2010.

Other Businesses

Other businesses within the Group include property, facility and project managements provided by the Group's property management division. For the period ended 30 June 2008, the Group recorded a revenue of HK\$47.4 million from the other businesses, an increase of 20.0% compared to the same period last year.

PROSPECTS

In the first half of 2008, the Chinese government continued to adopt a tight monetary policy while the economy continued to grow at a rapid pace with gross domestic products increasing by 10.4% compared to the same period last year. In order to control inflation and to absorb excess liquidity, the Central Bank increased the deposit reserve ratio and base lending rate several times in the first half of 2008. As a result, the property market in China experienced adjustments and uncertainties. Sales volume slowed to varying degrees in different markets as customers sat on the sideline to wait for a clearer outlook.

Despite the mainland property market is undergoing significant adjustments, Sinolink is still optimistic on its outlook given the fact that China's economic growth continues its upward momentum. Though there are pressures on property prices in various cities, the Group is in a strong position in view of our strong balance sheet.

Meanwhile, the Group views the current environment a golden opportunity to acquire premium land at a reasonable price in the first-tier cities. The Group will continue to maintain our strategies, leveraging on our balance sheet and will closely analyse various projects and investment opportunities with caution. The Group will also explore other opportunities to further expand the Sinolink branding and provide high value products and services to our customers.

We are committed to the future of the China property market given its huge economic potentials and strong fundamentals for growth. We believe that the demand for housing, especially in the luxurious market in China, remains strong and healthy.

In the second half of 2008, the Group will continue to invest cautiously in suitable prime sites and acquire only the highest quality land or development sites through various means in order to cater for our future development and to drive sustainable growth and generate better returns and value for our shareholders.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings increased from HK\$630.3 million as at 31 December 2007 to HK\$885.0 million as at 30 June 2008. The net increase is mainly due to the drawdown of bank loans of HK\$254.7 million for the development of property projects and general working capital needs. Gearing ratio as at 30 June 2008, calculated on the basis of bank borrowings over shareholders' equity was 20.9%. 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 have a net book value of HK\$746.6 million as at 30 June 2008. The borrowings of the Group are denominated in RMB and Hong Kong dollars. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments were used for hedging purpose; however, the Board is evaluating and closely monitoring the potential impact of RMB appreciation and interest rates movement on the Group.

The Group's cash and cash equivalents amounted to HK\$1,982.2 million (including pledged deposits) as at 30 June 2008 and are mostly denominated in RMB, Hong Kong dollars and US dollars.

Land Acquisitions

On 27 August 2008, the Group successfully acquired a new parcel of land ("Land") in Shanghai by auction. The Land is located at Xinjingzhen, Changning District, Shanghai (上海市長寧區新涇鎮) and the site is presently vacant. It is one of the most accessible areas in the municipality of Shanghai and one of the luxurious residential districts in Shanghai. The planned site area of the Land is about 13,599.6 square metres. The Land is designated for residential use and the land use rights of the Land shall be for a term of 70 years pursuant to the conditions of the auction sale.

The land consideration of RMB328 million (approximately HK\$374.3 million) shall be paid in accordance with the terms of the land use rights transfer contract to be negotiated between Sinolink Properties Limited ("Sinolink Properties"), one of the subsidiaries of the Group and the Shanghai Municipal Changning District of Housing, Land and Resource Administration Bureau, which is independent of the Company and connected persons of the Company. Sinolink Properties will finance the above land consideration from its internal resources.

The Land is situated in a nice and low density neighborhood with luxurious residential properties developed in the area, which is conveniently located with approximately 10 minutes from the Shanghai Hongqiao International Airport by car and approximately 30 minutes from the city by car. The Company has started planning and design for the development of the Land.

The Directors are of the view that the acquisition of the Land compliments with the Group's strategy in property development. The Company believes that the development project of the Land will be in the interests of the Company and its shareholders as a whole.

Capital Commitments

As at 30 June 2008, the Group has capital commitments in respect of properties under development amounted to HK\$568.1 million and in respect of committed funding to an associate's property redevelopment projects amounted to HK\$231.0 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\$68.9 million.

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 30 June 2008, the aggregate amount of financial assistance to associated companies by the Group in aggregate exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

A combined balance sheet of the associated companies as at 30 June 2008 is presented as follows:

	HK\$'000
Non-current assets	1,040,938
Current assets	485,475
Current liabilities	(59,819)
Non-current liabilities	<u>(1,878,520)</u>
Net liabilities	<u><u>(411,926)</u></u>

The Group's attributable interest in the associated companies as at 30 June 2008 comprised net liabilities of HK\$211,789,000. According to the investment agreement dated 30 November 2005, the Group is committed to finance all the funding of the associated companies and share its net liabilities.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.0 cents (2007: HK3.0 cents) per share in respect of the six months ended 30 June 2008. The interim dividend are payable on or before 22 October 2008 to shareholders whose names appear on the register of members of the Company on 14 October 2008.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to the interim dividend for the six months ended 30 June 2008, the register of members of the Company will be closed from Thursday, 9 October 2008 to Tuesday, 14 October 2008 (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 Wednesday, 8 October 2008.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2008, the Group employed approximately 964 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 2008.

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 of Hong Kong Limited (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 2008, 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 auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim report of the Group for the six months ended 30 June 2008 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

Ou Yaping

Chairman

Hong Kong, 18 September 2008

OTHER INFORMATION

Directors' Interests or Short Positions in Shares and Shares Options

At 30 June 2008, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the "Share"), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Long positions in Shares and underlying Shares

Name of Directors	Capacity	Interest in Shares			Total interest in Shares	Interest in underlying Shares pursuant to share options	Aggregate interest	Approximate percentage of issued share capital of the Company at 30.6.2008
		Personal interest	Corporate interest	Family interest				
Chen Wei	Beneficial owner	13,500,000	-	-	13,500,000	11,250,000	24,750,000	0.75%
Law Sze Lai	Beneficial owner	8,781,500	-	-	8,781,500	9,675,000	18,456,500	0.56%
Li Ningjun	Beneficial owner	4,000,000	-	-	4,000,000	8,375,000	12,375,000	0.38%
Davin A. Mackenzie	Beneficial owner	1,099,900	-	-	1,099,900	3,493,100	4,593,000	0.14%
Ou Yaping	Joint interest and interest of controlled corporation	-	1,560,845,250 (Note)	7,285,410	1,568,130,660	-	1,568,130,660	47.72%
Tang Yui Man Francis	Beneficial owner	21,375,000	-	-	21,375,000	22,500,000	43,875,000	1.34%
Tian Jin	Beneficial owner	-	-	-	-	5,175,000	5,175,000	0.16%
Xin Luo Lin	Beneficial owner	-	-	-	-	5,175,000	5,175,000	0.16%

Note:

These 1,560,845,250 Shares are held by Asia Pacific Promotion Limited (“Asia Pacific”), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Chairman of the Company.

Details of the Directors’ interests in share options granted by the Company are set out under the heading “Directors’ rights to acquire Shares”.

Directors’ Rights to Acquire Shares

Interest in options to subscribe for Shares

Pursuant to the Company’s share option scheme, the Company has granted to certain Directors of the Company options to subscribe for the Shares, details of which as at 30 June 2008 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2008	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2008	Approximate Percentage of issued share capital of the Company at 30.6.2008
Chen Wei	12.02.2007	01.01.2009-23.05.2012	1.778	3,375,000	-	-	3,375,000	0.10%
	12.02.2007	01.07.2009-23.05.2012	1.778	3,375,000	-	-	3,375,000	0.10%
	12.02.2007	01.01.2010-23.05.2012	1.778	2,250,000	-	-	2,250,000	0.07%
	12.02.2007	01.07.2010-23.05.2012	1.778	2,250,000	-	-	2,250,000	0.07%

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Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2008	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2008	Approximate Percentage of issued share capital of the Company at 30.6.2008
Law Sze Lai	13.01.2005	30.06.2006-24.05.2012	1.001	2,700,000	-	-	2,700,000	0.08%
	13.01.2005	31.12.2006-24.05.2012	1.001	3,600,000	-	-	3,600,000	0.11%
	12.02.2007	01.01.2009-23.05.2012	1.778	1,012,500	-	-	1,012,500	0.03%
	12.02.2007	01.07.2009-23.05.2012	1.778	1,012,500	-	-	1,012,500	0.03%
	12.02.2007	01.01.2010-23.05.2012	1.778	675,000	-	-	675,000	0.02%
	12.02.2007	01.07.2010-23.05.2012	1.778	675,000	-	-	675,000	0.02%
Li Ningjun	13.01.2005	31.12.2006-24.05.2012	1.001	500,000	-	-	500,000	0.02%
	06.02.2007	01.01.2009-23.05.2012	1.778	2,362,500	-	-	2,362,500	0.07%
	06.02.2007	01.07.2009-23.05.2012	1.778	2,362,500	-	-	2,362,500	0.07%
	06.02.2007	01.01.2010-23.05.2012	1.778	1,575,000	-	-	1,575,000	0.05%
	06.02.2007	01.07.2010-23.05.2012	1.778	1,575,000	-	-	1,575,000	0.05%
Davin A. Mackenzie	13.01.2005	31.12.2006-24.05.2012	1.001	568,100	-	-	568,100	0.02%
	12.02.2007	01.01.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.07.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.01.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%
	12.02.2007	01.07.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2008	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2008	Approximate Percentage of issued share capital of the Company at 30.6.2008
Tang Yui Man Francis	12.02.2007	01.01.2009-23.05.2012	1.778	6,750,000	-	-	6,750,000	0.21%
	12.02.2007	01.07.2009-23.05.2012	1.778	6,750,000	-	-	6,750,000	0.21%
	12.02.2007	01.01.2010-23.05.2012	1.778	4,500,000	-	-	4,500,000	0.14%
	12.02.2007	01.07.2010-23.05.2012	1.778	4,500,000	-	-	4,500,000	0.14%
Tian Jin	22.01.2006	31.12.2006-24.05.2012	2.107	675,000	-	-	675,000	0.02%
	22.01.2006	30.06.2007-24.05.2012	2.107	675,000	-	-	675,000	0.02%
	22.01.2006	31.12.2007-24.05.2012	2.107	900,000	-	-	900,000	0.03%
	12.02.2007	01.01.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.07.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.01.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%
	12.02.2007	01.07.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%
Xin Luo Lin	13.01.2005	31.12.2005-24.05.2012	1.001	675,000	-	-	675,000	0.02%
	13.01.2005	30.06.2006-24.05.2012	1.001	675,000	-	-	675,000	0.02%
	13.01.2005	31.12.2006-24.05.2012	1.001	900,000	-	-	900,000	0.03%
	12.02.2007	01.01.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.07.2009-23.05.2012	1.778	877,500	-	-	877,500	0.03%
	12.02.2007	01.01.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%
	12.02.2007	01.07.2010-23.05.2012	1.778	585,000	-	-	585,000	0.02%

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. These options represent personal interest held by the Directors as beneficial owners.
3. During the period, no options were granted or exercised by the Directors and no options held by the Directors were lapsed or cancelled.

Save as disclosed above, at no time during the period, the Directors, chief executives (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for Shares (warrants or debentures of the Company, if applicable) or any of its associated corporation required to be disclosed pursuant to the SFO.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme as disclosed herein, at no time the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Share Option Scheme

The Company operates a share option scheme, the share option scheme under which the Board may, at its discretion, offer any employee (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated in the said scheme. The share option scheme was approved by the shareholders on 24 May 2002 and have a life of 10 years.

Details of specific categories of share options are as follows:

Option types	Date of grant	Exercise period	Exercise price HK\$
2005 Options	13.01.2005	31.12.2005 - 24.05.2012	1.001
	13.01.2005	30.06.2006 - 24.05.2012	1.001
	13.01.2005	31.12.2006 - 24.05.2012	1.001
2006 Options	22.01.2006	31.12.2006 - 24.05.2012	2.107
	22.01.2006	30.06.2007 - 24.05.2012	2.107
	22.01.2006	31.12.2007 - 24.05.2012	2.107
2007A Options	06.02.2007	01.01.2009 - 23.05.2012	1.778
	06.02.2007	01.07.2009 - 23.05.2012	1.778
	06.02.2007	01.01.2010 - 23.05.2012	1.778
	06.02.2007	01.07.2010 - 23.05.2012	1.778
2007B Options	12.02.2007	01.01.2009 - 23.05.2012	1.778
	12.02.2007	01.07.2009 - 23.05.2012	1.778
	12.02.2007	01.01.2010 - 23.05.2012	1.778
	12.02.2007	01.07.2010 - 23.05.2012	1.778

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The following table discloses movements in the Company's share options during the period:

	Option types	Outstanding at 1.1.2008	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.06.2008
Category 1: Directors						
Chen Wei	2007B Options	11,250,000	-	-	-	11,250,000
Law Sze Lai	2005 Options	6,300,000	-	-	-	6,300,000
	2007B Options	3,375,000	-	-	-	3,375,000
Li Ningjun	2005 Options	500,000	-	-	-	500,000
	2007A Options	7,875,000	-	-	-	7,875,000
Davin A. Mackenzie	2005 Options	568,100	-	-	-	568,100
	2007B Options	2,925,000	-	-	-	2,925,000
Tang Yui Man Francis	2007B Options	22,500,000	-	-	-	22,500,000
Tian Jin	2006 Options	2,250,000	-	-	-	2,250,000
	2007B Options	2,925,000	-	-	-	2,925,000
Xin Luo Lin	2005 Options	2,250,000	-	-	-	2,250,000
	2007B Options	2,925,000	-	-	-	2,925,000
Total for directors		<u>65,643,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,643,100</u>
Category 2: Employees						
	2005 Options	7,562,500	-	(450,000)	-	7,112,500
	2007A Options	78,412,500	-	-	(4,950,000)	73,462,500
Total for employees		<u>85,975,000</u>	<u>-</u>	<u>(450,000)</u>	<u>(4,950,000)</u>	<u>80,575,000</u>
Total for all categories		<u>151,618,100</u>	<u>-</u>	<u>(450,000)</u>	<u>(4,950,000)</u>	<u>146,218,100</u>

Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. The weighted average closing share price immediately before the date of exercise of share options was HK\$1.692.
3. During the period, no options were granted and cancelled under the share option scheme of the Company.
4. During the period, 450,000 options were exercised and 4,950,000 options were lapsed under the share option scheme.

Substantial Shareholders

At 30 June 2008, the register of substantial shareholders (other than the Directors or chief executives of the Company disclosed above) maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short positions in Shares and underlying Shares

Name of shareholder	Capacity	Interest in Shares	Approximate percentage of the Company's issued share capital as at 30.6.2008
Asia Pacific	Beneficial owner	1,560,845,250 (Note)	47.50%

Note: The 1,560,845,250 Shares are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Chairman of the Company.

Save as disclosed above, as at 30 June 2008, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

Deloitte.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF SINOLINK WORLDWIDE HOLDINGS LIMITED

Introduction

We have reviewed the interim financial information set out on pages 19 to 40, which comprises the condensed consolidated balance sheet of Sinolink Worldwide Holdings Limited as of 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 September 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		Six months ended	
		30.6.2008	30.6.2007
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
	Notes		
Turnover	3	354,621	1,910,957
Cost of sales		(105,738)	(635,621)
Gross profit		248,883	1,275,336
Other income		140,934	115,887
Selling expenses		(27,771)	(22,402)
Administrative expenses		(61,193)	(52,635)
Changes in fair value of investments held for trading		(50,508)	–
Increase in fair value of investment properties		–	58,214
Share of results of associates		(65,800)	(76,241)
Gain arising on deemed disposal by an associate	4	–	322,755
Finance costs	5	(1,357)	–
Profit before taxation	6	183,188	1,620,914
Taxation	7	(102,469)	(526,782)
Profit for the period		80,719	1,094,132
Attributable to:			
Equity holders of the Company		74,602	997,319
Minority interests		6,117	96,813
		80,719	1,094,132
Dividends	8	115,010	100,635
Earnings per share	9		
Basic		HK2.27 cents	HK30.86 cents
Diluted		HK2.27 cents	HK30.57 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

	Notes	30.6.2008 HK\$'000 (Unaudited)	31.12.2007 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	49,661	46,180
Prepaid lease payments		5,442	5,146
Investment properties	10	934,226	877,298
Available-for-sale investments		1,261	1,011
Loan receivable	11	1,608,464	1,514,001
		2,599,054	2,443,636
Current assets			
Stock of properties	12	2,517,112	2,141,555
Trade and other receivables	13	91,902	148,409
Prepaid lease payments		89	89
Amounts due from associates		43,218	62,650
Investments held for trading		89,187	94,096
Pledged bank deposits		16,259	5,992
Bank balances and cash		1,965,925	1,852,956
		4,723,692	4,305,747
Current liabilities			
Trade and other payables	14	754,407	681,671
Taxation payable		856,103	139,557
Borrowings – amount due within one year		409,556	170,940
		2,020,066	992,168
Net current assets		2,703,626	3,313,579
Total assets less current liabilities		5,302,680	5,757,215

	Note	30.6.2008 HK\$'000 (Unaudited)	31.12.2007 HK\$'000 (Audited)
Non-current liabilities			
Borrowings – amount due after one year		475,427	459,402
Deferred taxation		101,710	755,721
		<u>577,137</u>	<u>1,215,123</u>
		<u>4,725,543</u>	<u>4,542,092</u>
Capital and reserves			
Share capital	15	328,600	328,555
Reserves		3,906,063	3,735,524
Equity attributable to equity holders of the Company			
Minority interests		4,234,663	4,064,079
		<u>490,880</u>	<u>478,013</u>
		<u>4,725,543</u>	<u>4,542,092</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holders of the Company									
	Share capital	Share premium	Translation reserve	Share option reserve	General reserve	Contributed surplus	Retained earnings	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008	328,555	1,368,776	265,292	27,266	57,312	367,782	1,649,096	4,064,079	478,013	4,542,092
Exchange differences arising on translation	-	-	178,018	-	-	-	-	178,018	28,948	206,966
Share of reserve of associates	-	-	21,738	-	-	-	-	21,738	-	21,738
Net income recognised directly in equity	-	-	199,756	-	-	-	-	199,756	28,948	228,704
Profit for the period	-	-	-	-	-	-	74,602	74,602	6,117	80,719
Total recognised income for the period	-	-	199,756	-	-	-	74,602	274,358	35,065	309,423
Issue of shares on the exercise of share options	45	546	-	(140)	-	-	-	451	-	451
Recognition of equity-settled share based payments	-	-	-	10,785	-	-	-	10,785	-	10,785
Dividends	-	-	-	-	-	-	(115,010)	(115,010)	-	(115,010)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(22,198)	(22,198)
At 30 June 2008	328,600	1,369,322	465,048	37,911	57,312	367,782	1,608,688	4,234,663	490,880	4,725,543

	Attributable to equity holders of the Company										
	Share capital	Share premium	Translation reserve	Share option reserve	Capital reserve	General reserve	Contributed surplus	Retained earnings	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2007	286,377	1,328,200	124,013	24,421	331	65,791	367,782	1,632,512	3,829,427	317,329	4,146,756
Exchange differences arising on translation	-	-	47,727	-	-	-	-	-	47,727	10,697	58,424
Share of reserve of associates	-	-	23,498	-	-	-	-	-	23,498	-	23,498
Net income recognised directly in equity	-	-	71,225	-	-	-	-	-	71,225	10,697	81,922
Profit for the period	-	-	-	-	-	-	-	997,319	997,319	96,813	1,094,132
Total recognised income for the period	-	-	71,225	-	-	-	-	997,319	1,068,544	107,510	1,176,054
Bonus issue of shares	35,941	(35,941)	-	-	-	-	-	-	-	-	-
Issue of shares on the exercise of share options	1,578	19,883	-	(4,657)	-	-	-	-	16,804	-	16,804
Recognition of equity-settled share based payments	-	-	-	10,714	-	-	-	-	10,714	-	10,714
Transfer	-	-	-	-	-	(1,372)	-	1,372	-	-	-
Acquired on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	6,078	6,078
Dividends	-	-	-	-	-	-	-	(100,635)	(100,635)	-	(100,635)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(20,284)	(20,284)
At 30 June 2007	323,896	1,312,142	195,238	30,478	331	64,419	367,782	2,530,568	4,824,854	410,633	5,235,487

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Six months ended	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash (used in) from operating activities	(87,783)	1,143,769
Net cash from (used in) investing activities		
Repayment from associates	8,061	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	–	(23,623)
Other investing cash flows	(1,888)	18,681
	6,173	(4,942)
Net cash from (used in) financing activities		
New bank loans raised	263,766	102,669
Dividend paid	(115,010)	(100,635)
Dividend paid to minority shareholders of subsidiaries	(22,198)	(20,284)
Repayment of bank loans	(50,000)	–
Proceeds from issue of shares	451	16,804
	77,009	(1,446)
Net (decrease) increase in cash and cash equivalents	(4,601)	1,137,381
Cash and cash equivalents at beginning of the period	1,852,956	495,245
Effect of foreign exchange rate changes	117,570	10,183
Cash and cash equivalents at end of the period, representing bank balances and cash	1,965,925	1,642,809

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

1. GENERAL

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared 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 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2008.

HK(IFRIC) – INT 11

HK(IFRIC) – INT 12

HK(IFRIC) – INT 14

HKFRS 2 – Group and treasury share transactions

Service concession arrangements

HKAS 19 – The limit on a defined benefit asset,
minimum funding requirements and their interaction

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The adoption of these new Interpretations 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 recognised.

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

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ¹
HKFRS 2 (Amendment)	Vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business combinations ²
HKFRS 8	Operating segments ¹
HK(IFRIC) – INT 13	Customer loyalty programmes ³
HK(IFRIC) – INT 15	Agreements for the construction of real estate ¹
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁴

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

² Effective for annual periods beginning on or after 1 July 2009

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

⁴ Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

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

Segment information about these businesses is presented below.

Six months ended 30 June 2008

	Property development	Property investment	Property management	Others	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
TURNOVER						
External sales	296,966	10,285	29,740	17,630	–	354,621
Inter-segment sales	–	–	–	999	(999)	–
	<u>296,966</u>	<u>10,285</u>	<u>29,740</u>	<u>18,629</u>	<u>(999)</u>	<u>354,621</u>
SEGMENT RESULT						
	<u>155,079</u>	<u>8,863</u>	<u>705</u>	<u>15,621</u>	<u>–</u>	<u>180,268</u>
Other income						140,934
Unallocated corporate expenses						(20,349)
Changes in fair value of investments held for trading						(50,508)
Share of results of associates						(65,800)
Finance costs						<u>(1,357)</u>
Profit before taxation						183,188
Taxation						<u>(102,469)</u>
Profit for the period						<u>80,719</u>

Inter-segment sales are charged at prevailing market prices.

SINOLINK WORLDWIDE HOLDINGS LIMITED

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2007

	Property development	Property investment	Property management	Others	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
TURNOVER						
External sales	1,864,125	7,334	21,694	17,804	–	1,910,957
Inter-segment sales	–	–	–	911	(911)	–
	<u>1,864,125</u>	<u>7,334</u>	<u>21,694</u>	<u>18,715</u>	<u>(911)</u>	<u>1,910,957</u>
SEGMENT RESULT	<u>1,196,557</u>	<u>64,981</u>	<u>(2,205)</u>	<u>16,214</u>	<u>–</u>	1,275,547
Other income						115,887
Unallocated corporate expenses						(17,034)
Share of results of associates						(76,241)
Gain arising on deemed disposal by an associate						<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.

4. GAIN ARISING ON DEEMED DISPOSAL BY AN ASSOCIATE

During the prior period, the shareholding of Enerchina Holdings Limited (“Enerchina”), a former 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 arising from the disposal of the Group’s interest in Panva (now known as Towngas China) to Enerchina in 2005, to the extent of Enerchina’s reduction in shareholding in Towngas China as a result of the above mentioned deemed disposal, was recognised during that period.

5. FINANCE COSTS

	Six months ended	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank and other borrowings wholly repayable within five years	29,500	17,590
Less: Amount capitalised to properties under development for sale	(28,143)	(17,590)
	1,357	–

6. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	3,730	3,082
Release of prepaid lease payments	43	42
and after crediting:		
Interest income (included in other income):		
– bank deposits	11,189	7,126
– loan receivable	127,154	105,878
– amount due from an associate	824	–
Gain on fair value changes on investments held for trading (included in other income)	–	179
	–	179

7. TAXATION

	Six months ended	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	36,896	180,840
PRC land appreciation tax	65,418	6,153
Hong Kong Profits Tax	155	–
	<hr/> 102,469 <hr/>	<hr/> 186,993 <hr/>
Deferred taxation		
PRC Enterprise Income Tax	–	8,732
PRC land appreciation tax	–	331,057
	<hr/> – <hr/>	<hr/> 339,789 <hr/>
	<hr/> 102,469 <hr/>	<hr/> 526,782 <hr/>

During the period, land appreciation tax (“LAT”) payable with an amount of HK\$660,205,000 was reclassified from deferred taxation to taxation payable to conform with current period’s presentation of LAT payable.

Hong Kong Profits Tax is calculated at 16.5% for the period. No provision for Hong Kong Profits Tax was made in previous period as the Group has no assessable profit derived from Hong Kong for that period.

7. TAXATION *(continued)*

On 16 March 2007, the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") was enacted by the President's Order No. 63. On 6 December 2007, the State Council issued Implementation Rules of the New Law. The New Law unifies the income tax rate for both domestic and foreign capital enterprises at 25%, effective 1 January 2008.

There are however certain transitional arrangement. As part of such arrangement, subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone should be subject to a reduced income tax rate of 18% (six months ended 30 June 2007: 15%) on its assessable profits for the period ended 30 June 2008, though the tax rate will gradually increase to 25% by 2012.

PRC 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 sales of properties over deductible costs. Deductible costs are defined to include costs of land, development and construction costs, as well as certain direct costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT administration and collection shall be implemented over the process of the sales of the properties and by 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, sales where contracts were signed on or after 1 November 2005 LAT shall be implemented more seriously. 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.

8. DIVIDENDS

	Six months ended	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution during the period:		
2007 final, paid – HK3.5 cents (2007: 2006 final, paid – HK3.5 cents) per share	115,010	100,635

Subsequent to 30 June 2008, the directors have resolved to declare an interim dividend of HK3.0 cents (2007: HK3.0 cents) per share in respect of six months ended 30 June 2008. The interim dividend will be paid to the shareholders of the Company whose names appear in the Register of Members on 14 October 2008.

9. EARNINGS PER SHARE

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	
	30.6.2008	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to equity holders of the Company	74,602	997,319
	<hr/> <hr/>	<hr/> <hr/>
	Number of shares	
	30.6.2008	30.6.2007
Weighted average number of shares for the purpose of basic earnings per share	3,285,931,166	3,231,833,220
Effect of dilutive potential ordinary shares:		
Share options	4,595,104	30,512,311
	<hr/>	<hr/>
Weighted average number of shares for the purpose of diluted earnings per share	3,290,526,270	3,262,345,531
	<hr/> <hr/>	<hr/> <hr/>

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

During the period, the Group spent approximately HK\$4,413,000 (six months ended 30 June 2007: HK\$293,000) on acquisition of property, plant and equipment.

The fair value of the Group's investment properties at 30 June 2008 and 31 December 2007 has been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by capitalising income to be derived from the leased properties and by reference to market evidence of transaction prices for similar properties.

No change in fair value of investment properties was noted in the current period as compared with that of 31 December 2007. The increase in closing balance of investment properties as at 30 June 2008 was wholly attributable to currency realignment resulting from appreciation of Renminbi against Hong Kong dollars. For the six months ended 30 June 2007, the increase in fair value of investment properties of HK\$58,214,000 has been recognised directly in the condensed consolidated income statement.

11. LOAN RECEIVABLE

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Shareholder's loan receivable		
Principal (note)	1,301,542	1,290,171
Interest receivable	518,711	391,557
	1,820,253	1,681,728
Less: Group's share of losses of associate recognised in excess of cost of investment	(211,789)	(167,727)
	1,608,464	1,514,001

11. LOAN RECEIVABLE (continued)

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 coupon 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.

12. STOCK OF PROPERTIES

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Properties under development	1,225,152	862,998
Completed properties held for sale	1,291,960	1,278,557
	<u>2,517,112</u>	<u>2,141,555</u>

Stock of properties were stated at cost.

13. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 0 to 60 days to its trade customers. Included in trade and other receivables are trade receivables of HK\$1,437,000 (31.12.2007: HK\$1,274,000), the aged analysis of which is as follows:

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aged:		
0 to 90 days	1,109	819
91 to 180 days	277	205
Over 181 days	51	250
	<u>1,437</u>	<u>1,274</u>

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$424,180,000 (31.12.2007: HK\$487,147,000), the aged analysis of which is as follows:

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aged:		
0 to 90 days	327,369	444,565
91 to 180 days	48,687	15,660
181 to 360 days	22,535	4,929
Over 360 days	25,589	21,993
	<hr/> 424,180 <hr/>	<hr/> 487,147 <hr/>

15. SHARE CAPITAL

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Shares of HK\$0.10 each		
Authorised:		
4,800,000,000 shares of HK\$0.10 each	<hr/> 480,000 <hr/>	<hr/> 480,000 <hr/>
Issued and fully paid:		
3,285,997,924 shares		
(31.12.2007: 3,285,547,924)		
of HK\$0.10 each	<hr/> 328,600 <hr/>	<hr/> 328,555 <hr/>

15. SHARE CAPITAL (continued)

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

	No. of shares	HK\$'000
At 1 January 2008	3,285,547,924	328,555
Issue of shares on exercise of share options	<u>450,000</u>	<u>45</u>
At 30 June 2008	<u><u>3,285,997,924</u></u>	<u><u>328,600</u></u>

16. RELATED PARTY TRANSACTIONS

Save as disclosed in condensed consolidated balance sheet and note 11 to the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

Name of related party	Nature of transaction	Notes	Six months ended	
			30.6.2008 HK\$'000	30.6.2007 HK\$'000
RGAP	Interest income on loan receivable	a	127,154	105,878
	Interest income on advances		824	–
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. (“Shanghai Rockefeller”)	Project management fee income	a	13,098	13,098
Skillful Assets Limited	Rental expenses	b	249	498
Enerchina	Rental and other fees received	c	1,412	474
Towngas China	Rental and other fees received	c	<u>–</u>	<u>163</u>

16. RELATED PARTY TRANSACTIONS *(continued)*

Notes:

- (a) RGAP and Shanghai Rockefeller are associates of the Group.
- (b) Mr. Ou Yaping, a director and a substantial shareholder of the Company who is also a director and shareholder of Skillful Assets Limited.
- (c) Enerchina and Towngas China ceased to be associates of the Group on 16 October 2007 and 28 February 2007 respectively. However, Enerchina remains as a related party to the Group as Mr. Ou Yaping, a director and a substantial shareholder of the Company is also a director and substantial shareholder of Enerchina.

During the period, the total emoluments of directors of key management personnel were HK\$12,241,000 (six months ended 30 June 2007: HK\$9,479,000).

17. CONTINGENT LIABILITIES

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	68,916	106,152

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts were not significant as at 30 June 2008 and 31 December 2007.

18. COMMITMENTS

	30.6.2008	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Commitments in respect of properties under development:		
– contracted for but not provided in the condensed consolidated financial statements	<u>433,214</u>	<u>295,062</u>
– authorised but not contracted for	<u>134,925</u>	<u>132,794</u>
Committed funding to an associate in respect of a property redevelopment project	<u>230,973</u>	<u>236,287</u>

19. PLEDGE OF ASSETS

At 30 June 2008, bank deposit of HK\$16,259,000 (31.12.2007: HK\$5,992,000); land held under long leases included in the stock of properties with carrying amount of approximately HK\$303,728,000 (31.12.2007: HK\$285,232,000) and investment properties with an aggregate carrying amount of HK\$426,621,000 (31.12.2007: HK\$400,641,000) were pledged to banks to secure general banking facilities granted to the Group. The development expenditures incurred for the stock of properties under pledge amounted to HK\$921,676,000 (31.12.2007: HK\$552,254,000). The pledged bank deposits carry at prevailing market interest rate.

20. EVENT AFTER THE BALANCE SHEET DATE

On 27 August 2008, one of the subsidiaries of the Group, Sinolink Properties Limited, entered into an agreement with the Shanghai Municipal Changning District of Housing, Land and Resource Administration Bureau to acquire a parcel of land located in Xinjingzhen, Changning District, Shanghai (上海市長寧區新涇鎮) for a consideration of RMB328 million (approximately HK\$374.3 million). The Group intends to develop the land into a luxurious residential development.