



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)



INTERIM
REPORT 2007

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*)

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

28th Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong
Telephone : (852) 2851 8811
Facsimile : (852) 2851 0970
Stock Code : 1168
Website : <http://www.sinolinkhk.com>
<http://www.irasia.com/listco/hk/sinolink>

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)
Woo, Kwan, Lee & Lo
Tsang, Chan & Wong

(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
Industrial and Commercial Bank of
China (Asia) Ltd.
Industrial and Commercial Bank of China,
Shenzhen Branch

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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

MANAGEMENT DISCUSSION & ANALYSIS

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 resulting from the recognition of 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;

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(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 China 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.

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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 China 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.

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 30 June 2007, the aggregate amount of financial assistance to associated companies by the Group amounted to HK\$1,507,525,000 which exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

An proforma consolidated balance sheet of the associated company as at 30 June 2007 are presented as follows:

	<i>HK\$'000</i>
Non-current assets	954,858
Current assets	419,718
Current liabilities	(2,087)
Non-current liabilities	(1,600,432)
Net liabilities	<u>(227,943)</u>

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The Group's attributable interest in the associated companies as at 30 June 2007 comprised net liabilities of HK\$109,811,000. 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 (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 report 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.

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

OTHER INFORMATION

Directors' Interests or Short Positions in Shares and Shares Options

At 30 June 2007, 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:

(a) Long positions in Shares and underlying Shares

Name of Directors	Capacity	Interest in Shares				Interest in underlying Shares pursuant to share options	Aggregate interest	Approximate percentage of issued share capital of the Company at 30.6.2007
		Personal interest	Corporate interest	Family interest	Total interest in Shares			
Chen Wei	Beneficial owner	4,050,000	-	-	4,050,000	20,700,000	24,750,000	0.76%
Law Sze Lai	Beneficial owner	6,637,500	-	-	6,637,500	9,675,000	16,312,500	0.50%
Dawn A. Mackenzie	Beneficial owner	112,500	-	-	112,500	5,062,500	5,175,000	0.16%
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	48.41%
Tang Yui Man Francis	Beneficial owner	6,412,500	-	-	6,412,500	37,462,500	43,875,000	1.35%
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”.

(b) Directors’ interests or short positions in shares and underlying shares in associated corporations

Name of Directors	Name of associated corporations	Capacity	Interest in shares			Total interest in shares	Interest in underlying shares pursuant to share options	Aggregate interest	Approximate percentage of the issued share capital of the associated corporation at 30.6.2007
			Personal interest	Corporate interest	Family interest				
Davin A. Mackenzie	Enerchina	Beneficial owner	-	-	-	-	2,288,000	2,288,000	0.05%
Law Sze Lai	Enerchina	Beneficial owner	1,710,000	-	-	1,710,000	-	1,710,000	0.04%
Ou Yaping	Enerchina	Beneficial owner, interest of controlled corporations and joint interest	-	2,882,792,295	3,237,960	2,886,030,255	2,288,000	2,888,318,255	60.28%
	Asia Pacific	Beneficial owner	2	-	-	2	-	2	100.00%
Tang Yui Man Francis	Enerchina	Beneficial owner	-	-	-	-	22,880,000	22,880,000	0.48%
Xin Luo Lin	Enerchina	Beneficial owner	-	-	-	-	2,288,000	2,288,000	0.05%

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Note:

The 2,882,792,295 shares in Enerchina represent the aggregate of: (i) 1,971,690,942 shares held by the Company; (ii) 223,990,353 shares held by Smart Orient Investments Limited (“Smart Orient”) and (iii) 687,111,000 shares held by Asia Pacific directly. Smart Orient is the wholly-owned subsidiary of the Company and 48.19% interests of the Company are held by Asia Pacific. As Asia Pacific is wholly owned by Mr. Ou Yaping, he is deemed under the SFO to be interested in such 2,882,792,295 shares of Enerchina.

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

Directors’ Right to Acquire Shares

(a) Interest in options to subscribe for Shares

Pursuant to the Company’s share option schemes, the Company has granted to certain Directors of the Company options to subscribe the Shares, details of which as at 30 June 2007 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2007	Granted during the period	Adjusted exercise price after bonus issue of shares HK\$	Adjusted After bonus issue of shares	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2007	Approximate Percentage of issued share capital of the Company at 30.6.2007
Chen Wei	13.01.2005	30.06.2006– 24.05.2012	1.126	3,600,000	–	1.001	4,050,000	–	4,050,000	0.13%
	13.01.2005	31.12.2006– 24.05.2012	1.126	4,800,000	–	1.001	5,400,000	–	5,400,000	0.17%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	3,000,000	1.778	3,375,000	–	3,375,000	0.10%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	3,000,000	1.778	3,375,000	–	3,375,000	0.10%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	2,000,000	1.778	2,250,000	–	2,250,000	0.07%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	2,000,000	1.778	2,250,000	–	2,250,000	0.07%

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2007	Granted during the period	Adjusted exercise price after bonus issue of shares HK\$	Adjusted After bonus issue of shares	Exercised during the period	Number of Shares outstanding options at 30.6.2007	Approximate Percentage of issued share capital of the Company at 30.6.2007
Law Sze Lai	13.01.2005	30.06.2006– 24.05.2012	1.126	2,400,000	–	1.001	2,700,000	–	2,700,000	0.08%
	13.01.2005	31.12.2006– 24.05.2012	1.126	3,200,000	–	1.001	3,600,000	–	3,600,000	0.11%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	900,000	1.778	1,012,500	–	1,012,500	0.03%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	900,000	1.778	1,012,500	–	1,012,500	0.03%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	600,000	1.778	675,000	–	675,000	0.02%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	600,000	1.778	675,000	–	675,000	0.02%
Davin A. Mackenzie	13.01.2005	31.12.2005– 24.05.2012	1.126	600,000	–	1.001	675,000	(112,500)	562,500	0.02%
	13.01.2005	30.06.2006– 24.05.2012	1.126	600,000	–	1.001	675,000	–	675,000	0.02%
	13.01.2005	31.12.2006– 24.05.2012	1.126	800,000	–	1.001	900,000	–	900,000	0.03%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	520,000	1.778	585,000	–	585,000	0.02%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	520,000	1.778	585,000	–	585,000	0.02%
Tang Yui Man Francis	13.01.2005	30.06.2006– 24.05.2012	1.126	5,700,000	–	1.001	6,412,500	–	6,412,500	0.20%
	13.01.2005	31.12.2006– 24.05.2012	1.126	7,600,000	–	1.001	8,550,000	–	8,550,000	0.26%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	6,000,000	1.778	6,750,000	–	6,750,000	0.21%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	6,000,000	1.778	6,750,000	–	6,750,000	0.21%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	4,000,000	1.778	4,500,000	–	4,500,000	0.14%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	4,000,000	1.778	4,500,000	–	4,500,000	0.14%

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Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2007	Granted during the period	Adjusted exercise price after bonus issue of shares HK\$	Adjusted After bonus issue of shares	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2007	Approximate Percentage of issued share capital of the Company at 30.6.2007
Tian Jin	22.01.2006	31.12.2006– 24.05.2012	2.370	600,000	–	2.107	675,000	–	675,000	0.02%
	22.01.2006	30.06.2007– 24.05.2012	2.370	600,000	–	2.107	675,000	–	675,000	0.02%
	22.01.2006	31.12.2007– 24.05.2012	2.370	800,000	–	2.107	900,000	–	900,000	0.03%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	520,000	1.778	585,000	–	585,000	0.02%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	520,000	1.778	585,000	–	585,000	0.02%
Xin Luo Lin	13.01.2005	31.12.2005– 24.05.2012	1.126	600,000	–	1.001	675,000	–	675,000	0.02%
	13.01.2005	30.06.2006– 24.05.2012	1.126	600,000	–	1.001	675,000	–	675,000	0.02%
	13.01.2005	31.12.2006– 24.05.2012	1.126	800,000	–	1.001	900,000	–	900,000	0.03%
	12.02.2007	01.01.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.07.2009– 23.05.2012	2.000	–	780,000	1.778	877,500	–	877,500	0.03%
	12.02.2007	01.01.2010– 23.05.2012	2.000	–	520,000	1.778	585,000	–	585,000	0.02%
	12.02.2007	01.07.2010– 23.05.2012	2.000	–	520,000	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, 40,800,000 options were granted to the Directors and 112,500 options were exercised by a Director and no options held by the Directors were lapsed or cancelled.
4. The number of share options and the exercise prices were adjusted to reflect the effect of bonus issue of shares on 31 May 2007.

(b) Interest in options to subscribe for shares of associated corporation

Name of Directors	Name of associated corporation	Date of grant	Exercise period	Exercise price HK\$	Number	Number	Approximate
					of shares held at 1.1.2007	of shares held at 30.6.2007	percentage of the issued share capital of the associated corporation at 30.6.2007
Davin A. Mackenzie	Enerchina	20.10.2004	20.10.2005-19.10.2015	0.500	2,288,000	2,288,000	0.05%
Ou Yaping	Enerchina	09.06.2004	09.06.2004-08.06.2014	0.440	2,288,000	2,288,000	0.05%
Tang Yui Man Francis	Enerchina	09.06.2004	09.06.2004-08.06.2014	0.440	22,880,000	22,880,000	0.48%
Xiu Luo Lin	Enerchina	09.06.2004	09.06.2004-08.06.2014	0.440	2,288,000	2,288,000	0.05%

Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. These options represent personal interest held by the Directors as beneficial owners.

Save as disclosed above, at no time during the year, 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 schemes as disclosed herein, at no time the period was the Company, its holdings company, or any or 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 2002 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 scheme. The 2002 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 before adjustment HK\$	Exercise price after adjustment HK\$
2004 Options	01.01.2004	01.06.2004 – 31.05.2008	0.760	0.676
	01.01.2004	01.01.2005 – 31.05.2008	0.760	0.676
	01.01.2004	01.06.2005 – 31.05.2008	0.760	0.676
	01.01.2004	01.01.2006 – 31.05.2008	0.760	0.676
2005 Options	13.01.2005	31.12.2005 – 24.05.2012	1.126	1.001
	13.01.2005	30.06.2006 – 24.05.2012	1.126	1.001
	13.01.2005	31.12.2006 – 24.05.2012	1.126	1.001
2006A Options	22.01.2006	31.12.2006 – 24.05.2012	2.370	2.107
	22.01.2006	30.06.2007 – 24.05.2012	2.370	2.107
	22.01.2006	31.12.2007 – 24.05.2012	2.370	2.107

Option types	Date of grant	Exercise period	Exercise price before adjustment HK\$	Exercise price after adjustment HK\$
2006B Options	14.02.2006	28.02.2007 – 24.05.2012	2.485	2.209
	14.02.2006	31.07.2007 – 24.05.2012	2.485	2.209
	14.02.2006	28.02.2008 – 24.05.2012	2.485	2.209
2006C Options	30.06.2006	30.06.2007 – 24.05.2012	1.410	1.253
	30.06.2006	31.12.2007 – 24.05.2012	1.410	1.253
	30.06.2006	30.06.2008 – 24.05.2012	1.410	1.253
2007A Options	06.02.2007	01.01.2009 – 23.05.2012	2.000	1.778
	06.02.2007	01.07.2009 – 23.05.2012	2.000	1.778
	06.02.2007	01.01.2010 – 23.05.2012	2.000	1.778
	06.02.2007	01.07.2010 – 23.05.2012	2.000	1.778
2007B Options	12.02.2007	01.01.2009 – 23.05.2012	2.000	1.778
	12.02.2007	01.07.2009 – 23.05.2012	2.000	1.778
	12.02.2007	01.01.2010 – 23.05.2012	2.000	1.778
	12.02.2007	01.07.2010 – 23.05.2012	2.000	1.778

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

Option types	Outstanding at 1.1.2007	Granted during period	Adjusted Number of Shares after bonus issue of shares	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2007	
Category 1: Directors							
Chen Wei	2005 Options	8,400,000	-	1,050,000	-	-	9,450,000
	2007B Options	-	10,000,000	1,250,000	-	-	11,250,000
Law Sze Lai	2005 Options	5,600,000	-	700,000	-	-	6,300,000
	2007B Options	-	3,000,000	375,000	-	-	3,375,000
Davin A. Mackenzie	2005 Options	2,000,000	-	250,000	(112,500)	-	2,137,500
	2007B Options	-	2,600,000	325,000	-	-	2,925,000

SINOLINK WORLDWIDE HOLDINGS LIMITED

	Option types	Outstanding at 1.1.2007	Granted during period	Adjusted Number of Shares after bonus issue of shares	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2007
Tang Yui Man Francis	2005 Options	13,300,000	-	1,662,500	-	-	14,962,500
	2007B Options	-	20,000,000	2,500,000	-	-	22,500,000
Tian Jin	2006A Options	2,000,000	-	250,000	-	-	2,250,000
	2007B Options	-	2,600,000	325,000	-	-	2,925,000
Xin Luo Lin	2005 Options	2,000,000	-	250,000	-	-	2,250,000
	2007B Options	-	2,600,000	325,000	-	-	2,925,000
Total directors		33,300,000	40,800,000	9,262,500	(112,500)	-	83,250,000
Category 2: Employees							
	2004 Options	2,680,000	-	300,000	(1,292,500)	-	1,687,500
	2005 Options	39,110,000	-	3,482,500	(14,373,750)	-	28,218,750
	2006C Options	3,000,000	-	375,000	-	-	3,375,000
	2007A Options	-	81,800,000	10,062,500	-	(1,300,000)	90,562,500
Total for employees		44,790,000	81,800,000	14,220,000	(15,666,250)	(1,300,000)	123,843,750
Total for all categories		78,090,000	122,600,000	23,482,500	(15,778,750)	(1,300,000)	207,093,750

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 closing price of the Company's shares immediately before the date of grant of the 2007 options, i.e. 6 February 2007 and 12 February 2007 were HK\$1.69 and HK\$1.65 respectively, of which the closing price had been adjusted for the effect of bonus issue.
3. The weighted average closing share price immediately before the date of exercise of share options was HK\$1.737, of which the closing price had been adjusted for the effect of bonus issue.
4. During the period, 122,600,000 options were granted and 15,778,750 options were exercised under the share option scheme of the Company.

5. During the period, 1,300,000 options were lapsed under the share option scheme. No options were cancelled under the share option scheme.
6. The fair value of the options granted under the share option scheme in the period measured at the date of grant (6 February 2007 and 12 February 2007) totalled approximately HK\$63,062,000 (2006: HK\$4,387,000). The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

Weighted average share price	:	HK\$1.677 (adjusted for the effect of bonus issue)
Weighted average exercise price	:	HK\$1.778 (adjusted for the effect of bonus issue)
Expected volatility	:	47% based on historical volatility
Expected dividend yield	:	3.97% – 3.99% based on historical dividends
Expected life	:	3.58 – 4.35 years from grant date
Risk free interest rate	:	4.050% p.a. being the approximate yield of 5-year Exchange Fund Note on the grant date

The Black-Scholes options pricing model was developed to estimate the fair value of traded options which do not have vesting restrictions and are fully transferable. This pricing model requires the input of highly subjective assumptions including the volatility of the share price. As the Company's options are different from traded options and because changes in subjective input assumptions can materially affect the fair value estimate in the Directors opinion the model does not necessarily provide a reliable single measure of the fair value of the share options.

All the options forfeited before expiry of the options will be treated as lapsed options under the relevant share option scheme.

Based on the closing price of Shares on the date of grant and the above assumptions the computed fair value under the options granted during the period was at a range of approximately HK\$0.46 to HK\$0.52 per option share.

Substantial Shareholders

At 30 June 2007, 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	Capacity	Interest in Shares	Approximate percentage of the Company's issued share capital at 30.6.2007
Asia Pacific	Beneficial owner	1,560,845,250 (Note 1)	48.19%
Paul G. Desmarais	Interest of controlled corporations	145,000,000 (Note 2)	4.48%
Nordex Inc.	Interest of controlled corporations	145,000,000 (Note 2)	4.48%
Gelco Enterprises Ltd.	Interest of controlled corporations	145,000,000 (Note 2)	4.48%
Power Corporation of Canada	Interest of controlled corporations	145,000,000 (Note 2)	4.48%
Power Financial Corporation	Interest of controlled corporations	145,000,000 (Note 2)	4.48%
IGM Financial Inc.	Interest of controlled corporations	145,000,000 (Note 2)	4.48%

Notes:

1. 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.
2. The 145,000,000 Shares are held by Mackenzie Cundill Investment Management Ltd. Mr. Paul G. Desmarais through his interests in Nordex Inc., Gelco Enterprises Ltd., Power Corporation of Canada, Power Financial Corporation and IGM Financial Inc., and is therefore deemed to be interested in all Shares in which Mackenzie Cundill Investment Management Ltd. is interested.

Save as disclosed above, as at 30 June 2007, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which had been recorded in the register 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 23 to 48, which comprises the condensed consolidated balance sheet of Sinolink Worldwide Holdings Limited as of 30 June 2007 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
13 September 2007

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		<u>(635,621)</u>	<u>(841,613)</u>
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	<u>322,755</u>	<u>–</u>
Profit before taxation	6	1,620,914	761,323
Taxation	7	<u>(526,782)</u>	<u>(313,545)</u>
Profit for the period from continuing operations		1,094,132	447,778
Discontinued operations			
Profit for the period from discontinued operations	8	<u>–</u>	<u>260,929</u>
Profit for the period		<u><u>1,094,132</u></u>	<u><u>708,707</u></u>
Attributable to:			
Equity holders of the Company		997,319	696,054
Minority interests		96,813	12,653
		<u><u>1,094,132</u></u>	<u><u>708,707</u></u>
Dividends	9	<u><u>100,635</u></u>	<u><u>1,052,652</u></u>
Earnings per share	10		
From continuing and discontinued operations			
Basic		<u>HK30.86 cents</u>	<u>HK22.05 cents</u>
Diluted		<u>HK30.57 cents</u>	<u>HK21.69 cents</u>
From continuing operations			
Basic		<u>HK30.86 cents</u>	<u>HK12.08 cents</u>
Diluted		<u>HK30.57 cents</u>	<u>HK11.89 cents</u>

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>

	Note	30.6.2007 HK\$'000 (Unaudited)	31.12.2006 HK\$'000 (Audited)
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			
		4,824,854	3,829,427
Minority interests		410,633	317,329
		<u>5,235,487</u>	<u>4,146,756</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2007

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 of foreign operations recognised directly in equity	-	-	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

Attributable to equity holders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	General reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Equity component of convertible bonds of a listed subsidiary	Equity component of share option reserve of listed subsidiaries	Minority interests HK\$'000	Total HK\$'000
										HK\$'000	HK\$'000		
At 1 January 2006	263,491	871,855	40,578	23,694	546	69,053	367,782	1,804,969	3,441,968	48,350	20,717	1,846,104	5,357,139
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	(1,056)	-	-	-	-	-	(1,056)	-	-	(18)	(1,074)
Realised on deemed disposal of interests in subsidiaries	-	-	(79)	-	-	-	-	-	(79)	-	-	-	(79)
Realised on partial disposal of interests in subsidiaries	-	-	(8,588)	-	-	-	-	-	(8,588)	-	-	-	(8,588)
Profit for the period	-	-	-	-	-	-	-	696,054	696,054	-	-	12,653	708,707
Total recognised (expenses) income for the period	-	-	(9,723)	-	-	-	-	696,054	686,331	-	-	12,635	698,966
Issue of shares on the exercise of share options	2,975	36,807	-	(8,319)	-	-	-	-	31,463	-	-	-	31,463
Issue of shares in placing and subscription arrangement	18,946	424,382	-	-	-	-	-	-	443,328	-	-	-	443,328
Expenses incurred in connection with issue of shares	-	(17,520)	-	-	-	-	-	-	(17,520)	-	-	-	(17,520)
Acquired on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	70,658	70,658
Recognition of equity-settled share based payments	-	-	-	7,852	-	-	-	-	7,852	-	4,846	-	12,698
Released on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(48,350)	(25,563)	(1,607,253)	(1,681,166)
Reduction in minority interests on acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(4,499)	(4,499)
Transfer	-	-	-	-	(215)	(4,042)	-	4,257	-	-	-	-	-
Changes in minority interests on deemed disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	4,470	4,470
Capital contribution from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	5,758	5,758
Dividends	-	-	-	-	-	-	-	(1,052,652)	(1,052,652)	-	-	-	(1,052,652)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(43,186)	(43,186)
At 30 June 2006	285,412	1,315,524	30,855	23,227	331	65,011	367,782	1,452,628	3,540,770	-	-	284,687	3,825,457

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

		Six months ended	
	Note	30.6.2007 HK\$'000 (Unaudited)	30.6.2006 HK\$'000 (Unaudited)
Net cash from operating activities		<u>1,143,769</u>	<u>827,729</u>
Net cash used in investing activities			
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	20	(23,623)	(189,722)
Advance to an associate		-	(739,915)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)		-	(1,232,408)
Acquisition of an associate		-	(184,261)
Other investing cash flows		<u>18,681</u>	<u>(46,863)</u>
		<u>(4,942)</u>	<u>(2,393,169)</u>
Net cash (used in) from financing activities			
Dividend paid		(100,635)	(99,768)
Dividend paid to minority shareholders of subsidiaries		(20,284)	(43,186)
New bank and other loans raised		102,669	392,451
Proceeds from issue of shares		16,804	457,271
Repayment of bank and other loans		-	(482,951)
Other financing cash flows		<u>-</u>	<u>8,783</u>
		<u>(1,446)</u>	<u>232,600</u>
Net increase (decrease) in cash and cash equivalents		1,137,381	(1,332,840)
Cash and cash equivalents at beginning of the period		495,245	2,152,484
Effect of foreign exchange rate changes		<u>10,183</u>	<u>(28)</u>
Cash and cash equivalents at end of the period, representing bank balances and cash		<u><u>1,642,809</u></u>	<u><u>819,616</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

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, 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.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

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 the 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.

3. SEGMENT INFORMATION (Continued)**Six months ended 30 June 2007**

	Property development	Property investment	Others	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER					
External sales	1,864,125	7,334	39,498	–	1,910,957
Inter-segment sales	–	–	911	(911)	–
	<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>	1,217,333
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.

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3. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2006

	Continuing operations				Discontinued operations				
	Property development	Property investment	Others	Eliminations	Sub-total	Gas fuel business	Electricity supplies	Sub-total	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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>	142,016	983,475
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
	<u>17,590</u>	<u>14,089</u>	<u>-</u>	<u>55,133</u>	<u>17,590</u>	<u>69,222</u>
Net interest payable						
on interest rate swaps	-	-	-	16,790	-	16,790
	<u>17,590</u>	<u>14,089</u>	<u>-</u>	<u>71,923</u>	<u>17,590</u>	<u>86,012</u>
Less: Amount capitalised to						
properties under						
development for sale	(17,590)	(14,089)	-	-	(17,590)	(14,089)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,923</u>	<u>-</u>	<u>71,923</u>

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.

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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
	<u>186,993</u>	<u>128,024</u>	<u>-</u>	<u>3,436</u>	<u>186,993</u>	<u>131,460</u>
Deferred taxation	339,789	185,521	-	-	339,789	185,521
	<u>526,782</u>	<u>313,545</u>	<u>-</u>	<u>3,436</u>	<u>526,782</u>	<u>316,981</u>

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	<u>(2,098)</u>
	<u><u>260,929</u></u>

8. DISCONTINUED OPERATIONS (Continued)

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:

	Notes	HK\$'000
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
	<i>HK\$'000</i>	<i>HK\$'000</i>
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 (<i>Note</i>)	–	952,884
	<u>100,635</u>	<u>1,052,652</u>

Subsequent to 30 June 2007, the directors have resolved to declare an interim dividend of HK 3.0 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 the 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
	<i>HK\$'000</i>	<i>HK\$'000</i>
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	<u>997,319</u>	<u>695,932</u>

	Number of shares	
	30.6.2007	30.6.2006
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	<u>30,512,311</u>	<u>51,737,416</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>3,262,345,531</u>	<u>3,208,369,879</u>

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.

10. EARNINGS PER SHARE (Continued)

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 <i>HK\$'000</i>	30.6.2006 <i>HK\$'000</i>
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	—	(314,718)
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 <i>HK\$'000</i>	31.12.2006 <i>HK\$'000</i>
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><u>1,397,714</u></u>	<u><u>1,328,081</u></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.

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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 <i>HK\$'000</i>	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	–	94
	<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 <i>HK\$'000</i>	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	13,057	11,529
	<u>262,731</u>	<u>386,389</u>

15. SHARE CAPITAL

	30.6.2007 <i>HK\$'000</i>	31.12.2006 <i>HK\$'000</i>
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.

16. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 12 and 20 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	
			30.6.2007 HK\$'000	30.6.2006 HK\$'000
RGAP	Shareholder's loan interest income	a	105,878	116,605
Shanghai Rockefeller Group d' Bund Master Development Co., Ltd. ("Shanghai Rockefeller")	Project management fee income	a	13,098	15,280
Skillful Assets Limited	Rental expenses	b	498	498
Enerchina	Office expenses paid	c	474	204
Towngas China	Office expenses paid	c	163	210
Mr. Chen Wei	Sales of properties	d	–	4,587
Powerjoy Limited	Sales of properties	e	–	9,321
Ms. Law Ling	Sales of properties	f	–	4,914
Ms. Law Sze	Sales of properties	f	–	4,900
Mr. Lu Yungang	Sales of properties	g	–	2,779
Plot Holdings Limited	Sales of properties	h	–	5,557
			<u>–</u>	<u>5,557</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 have become associates of the Group from 13 April 2006 onwards as detailed in note 8 to the condensed consolidated financial statements.
- (d) Mr. Chen is an executive director of the Company.
- (e) Powerjoy Limited is a company owned by Mr. Xiang Ya Bo and his spouse Ms Wu Hang Wa. Mr. Xiang Ya Bo is an executive director of Enerchina.
- (f) Ms. Law Ling and Ms Law Sze are the daughters of Mr. Law Sze Lai, an executive director of the Company.
- (g) Mr. Lu Yungang is an independent non-executive director of Enerchina.
- (h) Plot Holdings Limited, a company owned by Mr. Ou Yafei, the brother of Mr. Ou Yaping, the director of the Company.

During the period, the emoluments of directors of key management personnel were HK\$9,479,000 (six months ended 30 June 2006: HK\$13,761,000).

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17. CONTINGENT LIABILITIES

	30.6.2007 <i>HK\$'000</i>	31.12.2006 <i>HK\$'000</i>
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	<u>114,132</u>	<u>165,565</u>

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 2007 and 31 December 2006.

18. COMMITMENTS

	30.6.2007 <i>HK\$'000</i>	31.12.2006 <i>HK\$'000</i>
Commitments in respect of properties under development:		
– contracted for but not provided in the condensed consolidated financial statements	501,855	486,767
– authorised but not contracted for	<u>178,218</u>	<u>273,329</u>
	<u>680,073</u>	<u>760,096</u>
Committed funding to an associate in respect of a property redevelopment project	<u>91,869</u>	<u>91,869</u>

19. PLEDGE OF ASSETS

At 30 June 2007, bank deposit of HK\$9,415,000 (31.12.2006: HK\$20,607,000); land held under long leases included in the stock of properties with carrying amount of approximately HK\$273,141,000 (31.12.2006: HK\$264,716,000) and investment properties with an aggregate carrying amount of HK\$385,010,000 (31.12.2006: HK\$338,806,000) 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\$273,002,000 (31.12.2006: HK\$149,217,000). The pledged bank deposits carry at prevailing market interest rate.

20. ACQUISITION OF SUBSIDIARIES

On 22 June 2007, the Company acquired a 100% equity interest in Timeway Holdings Limited (“Timeway”) together with a shareholder’s loan amounting to HK\$23,195,000 shareholder’s loan owed by Timeway to Newchamp Technology Limited, a company owned by Mr. Xiang Ya Bo, the brother of Mr. Ou Yaping (“Mr. Ou”) and Mr. Ou, for a total consideration of HK\$31,606,000. Mr. Ou is a substantial shareholder and director of the Company. Timeway and its subsidiary, 深圳日訊網絡科技股份有限公司 (“Cnhooray Internet Technology Co. Ltd.”) are engaged in the provision of consultancy services in relation to information, multimedia and communications technologies with particular focus on property development projects.

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20. ACQUISITION OF SUBSIDIARIES (Continued)

	<i>HK\$'000</i>
Net assets acquired:	
Property, plant and equipment	57
Bank balances and cash	7,983
Other receivables	20,303
Other payables	(67)
	28,276
Minority interests	(6,078)
Premium paid for the acquisition	9,408
	31,606
Total consideration:	
Satisfied by cash	31,606
Net cash outflow arising on acquisition:	
Cash consideration	31,606
Bank balances and cash acquired	(7,983)
	23,623
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	23,623

Premium paid for the acquisition of Timeway was mainly attributable to the pre-operating establishment costs of Timeway and has been charged to the condensed consolidated income statement for the period.