



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1168

2009  
Interim Report



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### *Executive Directors*

Ou Yaping (*Chairman*)  
Tang Yui Man Francis  
(*Chief Executive Officer*)  
Chen Wei

### *Non-executive Directors*

Law Sze Lai  
Li Ningjun

### *Independent Non-executive Directors*

Tian Jin  
Xiang Bing  
Xin Luo Lin

## AUTHORISED REPRESENTATIVES

Ou Yaping  
Tang Yui Man Francis

## QUALIFIED ACCOUNTANT

Tiong Check Hiong, Jacqueline

## COMPANY SECRETARY

Lo Tai On

## AUDIT COMMITTEE

Tian Jin  
Xiang Bing  
Xin Luo Lin (*Chairman*)

## REMUNERATION COMMITTEE

Ou Yaping  
Xiang Bing  
Xin Luo Lin (*Chairman*)

## AUDITOR

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>

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (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 & Pearnan

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of China, Shenzhen Branch  
China Construction Bank Corporation,  
Shenzhen Branch  
China Merchants Bank, Shenzhen Branch  
Industrial and Commercial Bank of  
China, Shenzhen Branch  
Hang Seng Bank Limited

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## FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2009

- **Turnover up 308.9% to HK\$1,449.9 million**
- **Gross Profit up 242.7% to HK\$852.9 million**
- **Profit attributable to owners of the Company up 567.7% to HK\$498.1 million**
- **Basic Earnings Per Share up 567.8% to HK15.16 cents**

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the first half of 2009, the Company strengthened its budgeting, administration and management, with stringent control on the overall workflow and meticulous enforcement of the budget. On the whole, all major indicators of income, such as sales and operating profit, far exceeded our targets and led to satisfactory operating results, whilst the expenses were largely lower than the budgeted amounts.

For the six months ended 30 June 2009, the Group achieved a turnover of HK\$1,449.9 million, representing an increase of 308.9% compared to the same period last year. Gross profit grew by 242.7% to HK\$852.9 million. Profit attributable to owners of the Company increased by 567.7% to HK\$498.1 million. Basic earnings per share were HK15.16 cents, up by 567.8% compared to the same period last year.

## Property Sales

Taking advantage of the improved market sentiment during the first half of 2009, the Group achieved higher than expected sales from its two projects, namely *The Mangrove West Coast* and *The Seasons*.

The Group recorded a turnover of HK\$1,395.4 million from property sales for the period under review, representing an increase of 369.9% compared to the same period last year. The Group sold a total of approximately 47,182 square metres in gross floor area ("GFA") during the period as compared to 5,836 square metres for the same period last year, representing an increase of 708.5%.

Gross profit of property sales increased by 274.0% to HK\$836.6 million for the period compared to HK\$223.7 million for the same period last year. Despite a 33.1% decline in the average selling price of *The Mangrove West Coast*, this increase was achieved mainly due to the fact that a much higher amount of 22,277 square metres of GFA was sold for the period ended 30 June 2009, compared to 5,836 square metres for the same period last year. Most of *The Mangrove West Coast* units sold in the first half of 2009 were low-level minimum view units which the Group originally planned to hold and operate by ourselves. The average selling price of *The Seasons* was RMB23,660 per square metre and 24,905 square metres of GFA was sold during the period ended 30 June 2009.

## Property Rental

For the period ended 30 June 2009, total rental income was HK\$9.4 million, representing a decrease of 8.9% compared to the same period last year, which was attributable to discounts given to selective tenants of Sinolink Garden to counter the negative effect caused by construction works carried out in front of those shops for Shenzhen Metro Station line 3. The 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 2009, 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 Group is currently developing this project into a four residential block with 940 units, and a commercial complex. The whole project is expected to be completed by 2011.

The residential portion of Sinolink Garden Phase Five, *The Seasons*, with GFA of 133,668 was completed in November 2008.

*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.

On 21 August 2009, a marketing conference for *The Vi City* featuring the joint participation of various brands was successfully held in The Mangrove West Coast Club. During the conference, the Retail Association released a series of research data on the Eastern Business District of Luowu, where *The Vi City* is located, which provided positive encouragement to the conference participants about the enormous opportunities in this area.

As of August 2009, *The Vi City* has entered into tenancy agreements for 60% of its available space, drawing in more than 40 brand retailers as tenants including MCL Cinema, West Lake Spring, and Fundoland. *The Vi City* is scheduled to be officially opened in March 2010.

The office and hotel portion of Sinolink Garden Phase Five, is now under construction and expected to be completed by 2011 and start operation by 2012.

- (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 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 under restoration and pre-construction works and most of the old buildings will be launched into the market to coincide with the Shanghai World Expo in 2010.
- (3) A new parcel of land in Shanghai located at Changning District is presently under pre-construction works. It is the present intention of the Group to develop the land into a luxury residential development. The planned site area of the land is about 13,599.6 square metres. It is one of the most accessible areas in the municipality of Shanghai and one of the luxury residential districts in Shanghai. The land is situated in a low density neighbourhood with luxury residential properties developed in the area, and is conveniently located being approximately 10 minutes from the airport and approximately 30 minutes from the city by car.

## MAJOR ASSOCIATE

The Group's major associate, Rockefeller Group Asia Pacific, Inc., recorded positive results during the period under review and contributed HK\$103.0 million to the Group's profit as compared to the contributed loss of HK\$65.8 million to the Group in prior period. The significant growth in the Group's share of results in associate was due to the increase in fair value of the associate's investment properties under construction or development. With the application of the amendment to HKAS 40, the associate's investment properties under construction or development, which was originally stated at cost, was required to be measured at fair value and has resulted in an increase in the Group's share of results of the associate.

## OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management provided by the Group's property management division. For the period ended 30 June 2009, the Group recorded revenue from other businesses of HK\$45.2 million, representing a decrease of 4.6% as compared to the same period last year.

## PROSPECTS

The first half of 2009 saw the continued success of the PRC Government's macroeconomic stimulus, with the overall macroeconomic environment showing the characteristics of "being hot inside in a cold guise". Judging from the PRC's economic development in the first half of 2009, it can be seen that with the Government's active macroeconomic measures to avert the cycle, positive changes have taken place in the PRC economy. By boosting investments and sales in the real estate and automotive industry, the sweeping economic slowdown has been halted, and the overall economy has apparently stabilized.

According to data from the National Bureau of Statistics of China, the National Real Estate Index has been rising for several months on a row. Both the Real Estate Investment Index and Construction Index have also shown positive signs of recovery, giving further proof that the overall market conditions are warming.

Red-hot transactions continued to dominate the scene in the first half of 2009, with property prices in some cities rising in a drastic manner. This could constraint the positive demand in the market and led to a decline in trading volume. At the same time, with the expected increase in supply across most cities in the second half of 2009, the overwhelming demand and shrinking inventory seen in the first half of 2009 will be significantly improved. As the market returns to a balance in supply and demand, it will give a dampening effect on the roaring real estate prices. As such, we believe the national real estate market will gradually stabilize in the second half of 2009 and restore the equilibrium between supply and demand.



The Group has designated 2009 as a year of lean management. During the first half of 2009, with the dedicated efforts of all our staff, the Group has made highly significant improvement. Moving forward in the second half of 2009, the Group will continue to adopt the approach of “Careful Calculation and Strict Budgeting, Gaining Readiness, Increasing Internal Strength, and Reshaping Culture”, and to strive to fulfill our annual plan in order to attain more favourable results.

Furthermore, capitalizing on the Group’s strong experience, proven strength, innovative management team and reliable brand reputation, we will implement our existing strategy with greater efforts to seek for premier real estate projects in central locations of core cities as investments, and to achieve long-term solid returns for investors and 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\$387.6 million as at 31 December 2008 to HK\$637.5 million as at 30 June 2009. New banking facilities and loans amounting to HK\$50.0 million and RMB250.0 million were secured while loans amounted to RMB73.6 million were repaid. Gearing ratio as at 30 June 2009, calculated on the basis of bank borrowings over shareholders’ equity was 13.2% as compared to 8.8% as at 31 December 2008. 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\$406.7 million as at 30 June 2009. 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\$3,336.2 million (including pledged deposits) as at 30 June 2009 and are mostly denominated in RMB, Hong Kong dollars and US dollars.

## CONVERTIBLE NOTES

On 13 June 2009, the Company entered into a placing agreement (“Placing Agreement”) with a placing agent (“Placing Agent”) by which the Company has agreed to appoint the Placing Agent to procure, on a best-efforts basis, subscription of the convertible bonds of the Company (“Convertible Bonds”) subject to and upon the terms and conditions contained in the Placing Agreement and the shareholders’ approval as detailed in the Company’s circular dated 25 June 2009. The Placing Agreement, the creation and issue of the Convertible Bonds and the increase in the authorized share capital of the Company from HK\$480,000,000 divided into 4,800,000,000 ordinary shares with a par value of HK\$0.10 each to HK\$600,000,000 divided into 6,000,000,000 shares are approved by the shareholders of the Company in a special general meeting on 13 July 2009.

The Convertible Bonds are convertible into the new shares of the Company (“Share(s)”) at a conversion price of HK\$1.10 per Share and may be converted at any time from the issue date up to the third anniversary of the date of allotment and issue of the relevant amount the Convertible Bonds to the relevant placees. The maximum principal amount of the face value of the Convertible Bonds amounted to HK\$500,000,000. The Directors consider the term of the Placing Agreement and the Convertible Bonds have been arrived at after arm’s length negotiation between the Company and the Placing Agent.

## CAPITAL COMMITMENTS

As at 30 June 2009, the Group has capital commitments in respect of the properties under development amounted to HK\$361.7 million and in respect of unpaid capital contribution of investment projects amounted to HK\$77.5 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\$820.2 million.

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2009, 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.

An unaudited proforma consolidated statement of financial position of the associated companies as at 30 June 2009 is summarised as follows:

	<i>HK\$'000</i>
Non-current assets	1,695,226
Current assets	523,007
Current liabilities	(34,339)
Non-current liabilities	<u>(2,628,259)</u>
Net liabilities	<u><u>(444,365)</u></u>

The Group's attributable interest in the associated companies as at 30 June 2009 comprised net liabilities of HK\$198,699,000. 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

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2009 (2008: HK3.0 cents per share).

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2009, the Group employed approximately 1,014 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 SHARES

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 2009.

## 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 2009, all directors have complied with the required standard set out in the Model Code.

## AUDIT COMMITTEE

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

The interim report of the Group for the six months ended 30 June 2009 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, 17 September 2009

## OTHER INFORMATION

### Directors' Interests or Short Positions in Shares and Shares Options

At 30 June 2009, 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 pursuant to: (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 30.6.2009
		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	9,345,500	-	-	9,345,500	9,675,000	19,020,500	0.58%
Li Ningjun	Beneficial owner	4,000,000	-	-	4,000,000	8,375,000	12,375,000	0.38%
Ou Yaping	Joint interest and interest of controlled corporation	-	1,560,845,250 <i>(Note)</i>	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 or debentures of the Company and associated corporation".

## Directors' Rights to Acquire Shares or Debentures of the Company and Associated Corporation

### 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 the Shares, details of which as at 30 June 2009 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2009	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2009	Approximate Percentage of issued share capital of the Company at 30.6.2009
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%
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%

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Name of Directors	Date of grant	Exercise period	Exercise price <i>HK\$</i>	Number of Shares subject to outstanding options at 1.1.2009	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2009	Approximate Percentage of issued share capital of the Company at 30.6.2009
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.

Other than the share option as disclosed under the heading of “Share Option Scheme of the Company” below, at no time during the period was the Company, its holding 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.

### **Disclosure of information on directors**

Pursuant to rule 13.51B(1) of the Listing Rules, the changes in information on directors are as follows:

Mr. Li Lingjun was redesignated from executive director to non-executive director of the Company on 8 June 2009.

### **Share Option Scheme of the Company**

The Company operates a share option scheme adopted by shareholders of the Company on 24 May 2002 (“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 therein. The 2002 Share Option Scheme has a life of 10 years.



Details of specific categories of share options are as follows:

<b>Option types</b>	<b>Date of grant</b>	<b>Exercise period</b>	<b>Exercise price</b> <i>HK\$</i>
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

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

	Option types	Outstanding at 1.1.2009	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.06.2009
<b>Category 1: Directors</b>						
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
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>62,150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,150,000</u>
<b>Category 2: Employees</b>						
	2005 Options	7,112,500	-	-	-	7,112,500
	2007A Options	73,462,500	-	-	(1,125,000)	72,337,500
Total for employees		<u>80,575,000</u>	<u>-</u>	<u>-</u>	<u>(1,125,000)</u>	<u>79,450,000</u>
<b>Category 3: Other</b>						
Davin A. Mackenzie resigned as director in December 2008	2005 Options	568,100	-	-	(568,100)	-
	2007B Options	2,925,000	-	-	(2,925,000)	-
Total for other		<u>3,493,100</u>	<u>-</u>	<u>-</u>	<u>(3,493,100)</u>	<u>-</u>
Total for all categories		<u>146,218,100</u>	<u>-</u>	<u>-</u>	<u>(4,618,100)</u>	<u>141,600,000</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. During the period, no options were granted, exercised or cancelled under the 2002 Share Option Scheme of the Company.
3. During the period, 4,618,100 options were lapsed under the 2002 Share Option Scheme.

### Substantial Shareholders

At 30 June 2009, the register of substantial shareholders 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 in Shares and underlying Shares

Name of shareholder	Capacity	Interest in Shares	Approximate percentage of the Company's issued share capital as at 30.6.2009
Asia Pacific	Beneficial owner	1,560,845,250 <i>(Note)</i>	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 2009, 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 42, which comprises the condensed consolidated statement of financial position of Sinolink Worldwide Holdings Limited (the “Company”) and its subsidiaries as of 30 June 2009 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 of the Company 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

17 September 2009

## CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	NOTES	Six months ended	
		30.6.2009 HK\$'000 (unaudited)	30.6.2008 HK\$'000 (unaudited)
Turnover	3	<b>1,449,942</b>	354,621
Cost of sales		<b>(597,077)</b>	(105,738)
Gross profit		<b>852,865</b>	248,883
Other income		<b>14,403</b>	140,934
Selling expenses		<b>(17,970)</b>	(27,771)
Administrative expenses		<b>(54,023)</b>	(61,193)
Changes in fair value of investments held for trading		<b>601</b>	(50,508)
Share of results of associates		<b>102,966</b>	(65,800)
Finance costs	4	<b>(1,474)</b>	(1,357)
Profit before taxation	5	<b>897,368</b>	183,188
Taxation	6	<b>(323,624)</b>	(102,469)
Profit for the period		<b>573,744</b>	80,719
Profit for the period attributable to:			
Owners of the Company		<b>498,081</b>	74,602
Minority interests		<b>75,663</b>	6,117
		<b>573,744</b>	80,719
Earnings per share	8		
Basic		<b>HK15.16 cents</b>	HK2.27 cents
Diluted		<b>HK15.16 cents</b>	HK2.27 cents

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	<b>Six months ended</b>	
	<b>30.6.2009</b>	30.6.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit for the period	<u><b>573,744</b></u>	<u>80,719</u>
Other comprehensive income		
Exchange differences arising on translation	<b>(578)</b>	206,966
Share of translation reserve of associates	<u><b>(140)</b></u>	<u>21,738</u>
Other comprehensives income for the period	<u><b>(718)</b></u>	<u>228,704</u>
Total comprehensive income for the period	<u><b>573,026</b></u>	<u>309,423</u>
Total comprehensive income attributable to:		
Owners of the Company	<b>497,446</b>	274,358
Minority interests	<u><b>75,580</b></u>	<u>35,065</u>
	<u><b>573,026</b></u>	<u>309,423</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2009

	NOTES	30.6.2009 HK\$'000 (unaudited)	31.12.2008 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	47,329	49,180
Prepaid lease payments		5,320	5,367
Investment properties	9	863,812	863,812
Available-for-sale investments		1,261	1,261
Loan receivable	10	1,890,548	1,793,870
		<u>2,808,270</u>	<u>2,713,490</u>
Current assets			
Stock of properties	11	2,570,869	2,617,453
Trade receivables, deposits and prepayments	12	41,158	84,737
Prepaid lease payments		94	94
Amounts due from associates		33,376	36,540
Investments held for trading		85,010	6,909
Pledged bank deposits		17,813	11,524
Bank balances and cash		3,318,341	2,015,916
		<u>6,066,661</u>	<u>4,773,173</u>
Current liabilities			
Trade payables, deposits received and accrued charges	13	1,467,942	986,102
Taxation payable		1,215,147	1,053,051
Borrowings – amount due within one year		490,136	140,167
		<u>3,173,225</u>	<u>2,179,320</u>
Net current assets		<u>2,893,436</u>	<u>2,593,853</u>
Total assets less current liabilities		<u>5,701,706</u>	<u>5,307,343</u>

		<b>30.6.2009</b>	31.12.2008
		<i>HK\$'000</i>	<i>HK\$'000</i>
	NOTE	(unaudited)	(audited)
Non-current liabilities			
Borrowings – amount due after one year		<b>147,392</b>	247,392
Deferred taxation		<b>94,719</b>	89,049
		<b>242,111</b>	336,441
		<b>5,459,595</b>	4,970,902
Capital and reserves			
Share capital	14	<b>328,600</b>	328,600
Reserves		<b>4,503,339</b>	4,067,525
Equity attributable to owners of the Company			
Minority interests		<b>4,831,939</b>	4,396,125
		<b>627,656</b>	574,777
		<b>5,459,595</b>	4,970,902



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Share capital	Share premium	Translation reserve	Share option reserve	General reserve	Contributed surplus	Retained earnings	Attributable to owners of the Company	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 2009	328,600	1,369,321	443,810	50,920	57,312	367,782	1,778,380	4,396,125	574,777	4,970,902
Profit for the period	-	-	-	-	-	-	498,081	498,081	75,663	573,744
Exchange differences arising on translation	-	-	(495)	-	-	-	-	(495)	(83)	(578)
Share of translation reserve of associates	-	-	(140)	-	-	-	-	(140)	-	(140)
Total comprehensive income for the period	-	-	(635)	-	-	-	498,081	497,446	75,580	573,026
Recognition of equity-settled share-based payments	-	-	-	4,088	-	-	-	4,088	-	4,088
Transfer	-	-	-	-	31,120	-	(31,120)	-	-	-
Dividends	-	-	-	-	-	-	(65,720)	(65,720)	-	(65,720)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(22,701)	(22,701)
At 30 June 2009	<u>328,600</u>	<u>1,369,321</u>	<u>443,175</u>	<u>55,008</u>	<u>88,432</u>	<u>367,782</u>	<u>2,179,621</u>	<u>4,831,939</u>	<u>627,656</u>	<u>5,459,595</u>
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
Profit for the period	-	-	-	-	-	-	74,602	74,602	6,117	80,719
Exchange differences arising on translation	-	-	178,018	-	-	-	-	178,018	28,948	206,966
Share of translation reserve of associates	-	-	21,738	-	-	-	-	21,738	-	21,738
Total comprehensive 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	<u>328,600</u>	<u>1,369,322</u>	<u>465,048</u>	<u>37,911</u>	<u>57,312</u>	<u>367,782</u>	<u>1,608,688</u>	<u>4,234,663</u>	<u>490,880</u>	<u>4,725,543</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.6.2009 <i>HK\$'000</i> (unaudited)	30.6.2008 <i>HK\$'000</i> (unaudited)
Net cash from (used in) operating activities	<u>1,133,783</u>	<u>(87,783)</u>
Net cash from investing activities	<u>8,745</u>	<u>6,173</u>
Net cash from financing activities		
New bank loans raised	333,447	263,766
Dividends paid	(65,720)	(115,010)
Dividends paid to minority shareholders of subsidiaries	(22,701)	(22,198)
Repayment of bank loans	(83,478)	(50,000)
Proceeds from issue of shares	<u>-</u>	<u>451</u>
	<u>161,548</u>	<u>77,009</u>
Net increase (decrease) in cash and cash equivalents	1,304,076	(4,601)
Cash and cash equivalents at beginning of the period	2,015,916	1,852,956
Effect of foreign exchange rate changes	<u>(1,651)</u>	<u>117,570</u>
Cash and cash equivalents at end of the period, representing bank balances and cash	<u><u>3,318,341</u></u>	<u><u>1,965,925</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

### 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 under the historical cost convention, 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 2008, except as described below.

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)*

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)*

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. HKFRS 8 “Operating segments” is a disclosure Standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor Standard, HKAS 14 “Segment Reporting”, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (*see note 3*). The adoption of the new and revised HKFRSs had no material effect on the reported results and financial position for the Group for the current or prior accounting periods except as described below.

**Improvements to HKFRSs issued in 2008**

The application of Improvements to HKFRSs, issued by the HKICPA in 2008, has the following impact on the reported results and financial position of the Group:

HKAS 40 “Investment property” has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value is reliably determinable). In the past, the leasehold land and building elements of properties under construction were accounted for separately in an associate of the Group which is principally engaged in property development. The associate has investment properties under construction or development. The application of the amendment to HKAS 40 has resulted in an increase in the Group’s share of results of the associate by HK\$159 million. The increase is attributable to an increase in fair value of the associate’s investment properties under construction or development (net of related tax) of HK\$159 million that has been recognised in the Group’s condensed consolidated income statement for the six months ended 30 June 2009.

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)*

**Improvements to HKFRSs issued in 2008** *(continued)*

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 <sup>1</sup>
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 <sup>2</sup>
HKAS 27 (Revised)	Consolidated and separate financial statements <sup>1</sup>
HKAS 39 (Amendment)	Eligible hedged items <sup>1</sup>
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters <sup>3</sup>
HKFRS 2 (Amendment)	Group cash-settled share based payments transactions <sup>3</sup>
HKFRS 3 (Revised)	Business combinations <sup>1</sup>
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners <sup>1</sup>
HK(IFRIC) – INT 18	Transfers of assets from customers <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>2</sup> Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2010.

<sup>4</sup> Effective for transfers on or after 1 July 2009.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

### 3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, “Segment Reporting”) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity’s “system of internal financial reporting to key management personnel” serving only as the starting point for the identification of such segments. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of the measurement of segment profit or loss.

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 segment information.

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors’ salaries, share of results of associates, investment revenue and finance costs. This is the measure reported to Chief Executive Officer, the Group’s chief operating decision maker, for the purposes of resource allocation and performance assessment.

**3. SEGMENT INFORMATION** (continued)

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30 June 2009

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	1,395,403	9,369	32,866	12,304	-	1,449,942
Inter-segment sales	-	-	-	1,022	(1,022)	-
	<u>1,395,403</u>	<u>9,369</u>	<u>32,866</u>	<u>13,326</u>	<u>(1,022)</u>	<u>1,449,942</u>
SEGMENT RESULT	<u>784,334</u>	<u>8,790</u>	<u>999</u>	<u>7,972</u>	<u>-</u>	802,095
Other income						14,403
Unallocated corporate expenses						(21,223)
Changes in fair value of investments held for trading						601
Share of results of associates						102,966
Finance costs						<u>(1,474)</u>
Profit before taxation						897,368
Taxation						<u>(323,624)</u>
Profit for the period						<u>573,744</u>



3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2008

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
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><u>80,719</u></u>

4. FINANCE COSTS

	Six months ended	
	30.6.2009	30.6.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank and other borrowings wholly repayable within five years	<b>15,777</b>	29,500
Less: Amount capitalised to properties under development for sale	<b>(14,303)</b>	(28,143)
	<b>1,474</b>	1,357

5. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2009	30.6.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	<b>3,381</b>	3,730
Release of prepaid lease payments	<b>47</b>	43
and after crediting:		
Interest income (included in other income) from:		
– bank deposits	<b>12,605</b>	11,189
– loan receivable	–	127,154
– amount due from an associate	<b>135</b>	824

6. TAXATION

	Six months ended	
	30.6.2009	30.6.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	136,819	36,896
PRC land appreciation tax	181,130	65,418
Hong Kong Profits Tax	—	155
	<hr/>	<hr/>
	317,949	102,469
Deferred taxation	5,675	—
	<hr/>	<hr/>
	<b>323,624</b>	<b>102,469</b>
	<hr/> <hr/>	<hr/> <hr/>

No provision for Hong Kong Profits Tax was made in this period as the Group has no assessable profit derived from Hong Kong for the period. Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the prior period.

Taxation for subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone is calculated at the rate of 20% (2008: 18%) of its assessable profits for the six months ended 30 June 2009.

**6. TAXATION** *(continued)*

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

**7. DIVIDENDS**

	<b>Six months ended</b>	
	<b>30.6.2009</b>	30.6.2008
	<i>HK\$’000</i>	<i>HK\$’000</i>
Dividends recognised as distribution during the period:		
2008 final, paid – HK2.0 cents (2008: 2007 final, paid – HK3.5 cents) per share	<b>65,720</b>	115,010

The directors do not recommend the payment of an interim dividend in respect of six months ended 30 June 2009 (2008: HK3.0 cents per share).

## 8. EARNINGS PER SHARE

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

	<b>Six months ended</b>	
	<b>30.6.2009</b>	30.6.2008
	<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 owners of the Company	<b>498,081</b>	74,602

	<b>Number of shares</b>	
	<b>30.6.2009</b>	30.6.2008
Weighted average number of shares for the purpose of basic earnings per share	<b>3,285,997,924</b>	3,285,931,166
Effect of dilutive potential ordinary shares:		
Share options	<u>—</u>	<u>4,595,104</u>
Weighted average number of shares for the purpose of diluted earnings per share	<b><u>3,285,997,924</u></b>	<u>3,290,526,270</u>

The computation of diluted earnings per share for the current interim period does not assume the exercise of the Company's outstanding options because the exercise price of the Company's options was higher than the average market price for shares for the six months ended 30 June 2009.

### 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group spent approximately HK\$1,534,000 (six months ended 30 June 2008: HK\$4,413,000) on acquisition of property, plant and equipment.

The fair values of the Group's investment properties at 30 June 2009 and 31 December 2008 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, who have appropriate qualifications. The valuation was performed using the direct comparison method by reference to market evidence of transaction prices for similar properties in the similar locations and conditions.

No change in fair value of investment properties was noted in the current period as compared with that at 31 December 2008.

### 10. LOAN RECEIVABLE

	<b>30.6.2009</b>	31.12.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivable from an associate		
Principal (note)	<b>1,555,129</b>	1,555,129
Interest receivable	<b>534,118</b>	534,118
	<hr/>	<hr/>
	<b>2,089,247</b>	2,089,247
Less: Loss allocated in excess of cost of investment	<b>(198,699)</b>	(295,377)
	<hr/>	<hr/>
	<b>1,890,548</b>	1,793,870
	<hr/> <hr/>	<hr/> <hr/>

**10. 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 a return at 20% per annum and forms part of the net investment of the Group in RGAP. The loan receivable including principal and interest is unsecured and not repayable in the foreseeable future.

**11. STOCK OF PROPERTIES**

	<b>30.6.2009</b>	31.12.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Properties under development	<b>733,697</b>	475,454
Completed properties held for sale	<b>1,837,172</b>	2,141,999
	<b><u>2,570,869</u></b>	<b><u>2,617,453</u></b>

Stock of properties were stated at cost.

## 12. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group allows an average credit period ranging from 0 to 60 days to its trade customers. Included in trade receivables, deposits and prepayments are trade receivables of HK\$1,633,000 (31.12.2008: HK\$1,451,000), the aged analysis of which is as follows:

	<b>30.6.2009</b>	31.12.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Aged:</b>		
0 to 90 days	<b>1,130</b>	1,141
91 to 180 days	<b>280</b>	285
Over 181 days	<b>223</b>	25
	<hr/> <b>1,633</b>	<hr/> 1,451
	<hr/> <b>1,633</b>	<hr/> 1,451

## 13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK\$628,003,000 (31.12.2008: HK\$465,447,000), receipt in advance from property sales of HK\$693,065,000 (31.12.2008: HK\$65,325,000) and consideration payable for acquisition of land of nil (31.12.2008: HK\$334,694,000).

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

	<b>30.6.2009</b>	31.12.2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Aged:</b>		
0 to 90 days	<b>506,879</b>	326,122
91 to 180 days	<b>947</b>	1,450
181 to 360 days	<b>4,294</b>	13,195
Over 360 days	<b>115,883</b>	124,680
	<hr/> <b>628,003</b>	<hr/> 465,447
	<hr/> <b>628,003</b>	<hr/> 465,447



#### 14. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Shares of HK\$0.10 each		
Authorised:		
At 1 January 2009 and 30 June 2009	<u>4,800,000,000</u>	<u>480,000</u>
Issued and fully paid:		
At 1 January 2009 and 30 June 2009	<u>3,285,997,924</u>	<u>328,600</u>

There was no movement in the authorised, issued and fully paid share capital of the Company during the interim period.

#### 15. RELATED PARTY TRANSACTIONS

Save as disclosed in condensed consolidated statement of financial position and note 10 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	
			30.6.2009 <i>HK\$'000</i>	30.6.2008 <i>HK\$'000</i>
RGAP	Interest income on loan receivable	a	-	127,154
	Interest income on advances		135	824
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. ("Shanghai Rockefeller")	Project management fee income	a	13,098	13,098
Enerchina Holdings Limited ("Enerchina")	Rental and other fees received	b	1,689	1,412
Skillful Assets Limited	Rental expenses	c	<u>-</u>	<u>249</u>

**15. RELATED PARTY TRANSACTIONS** *(continued)*

Notes:

- (a) RGAP and Shanghai Rockefeller are associates of the Group.
- (b) Enerchina is 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.
- (c) Mr. Ou Yaping is also a director and shareholder of Skillful Assets Limited.

During the period, the total emoluments of directors of key management personnel were HK\$9,216,000 (six months ended 30 June 2008: HK\$12,241,000).

In addition, the Group entered into sale and purchase agreements with Ms. Cheung Loi Ping, the wife of Mr. Ou Yaping, relating to the sale of properties for a total consideration of approximately HK\$9,276,000 during the period. The transactions were completed subsequent to 30 June 2009.

**16. CONTINGENT LIABILITIES**

	<b>30.6.2009</b>	31.12.2008
	<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	<b>820,154</b>	533,089

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 2009 and 31 December 2008.

**17. COMMITMENTS**

	<b>30.6.2009</b> <i>HK\$'000</i>	31.12.2008 <i>HK\$'000</i>
Commitments in respect of properties under development:		
– contracted for but not provided in the condensed consolidated financial statements	<b>72,155</b>	183,578
– authorised but not contracted for	<b>289,571</b>	178,160
Committed funding to an investment fund	<b>77,500</b>	77,500

**18. PLEDGE OF ASSETS**

At 30 June 2009, bank deposit of HK\$17,813,000 (31.12.2008: HK\$11,524,000); and investment properties with an aggregate carrying amount of HK\$388,889,000 (31.12.2008: HK\$388,889,000) were pledged to banks to secure general banking facilities granted to the Group. The pledged bank deposits carry interest at prevailing market interest rate.

**19. EVENT SUBSEQUENT TO THE REPORTING PERIOD**

On 13 June 2009, the Company entered into a placing agreement (“Placing Agreement”) with a placing agent (“Placing Agent”) by which the Company has agreed to appoint the Placing Agent to procure, on a best-efforts basis, subscription of the convertible bonds of the Company (“Convertible Bonds”) subject to and upon the terms and conditions contained in the Placing Agreement and the shareholders’ approval. Details are disclosed in the Company’s circular dated 25 June 2009. The Placing Agreement, the creation and issue of the Convertible Bonds and the increase in the authorised share capital of the Company from HK\$480,000,000 divided into 4,800,000,000 ordinary shares with a par value of HK\$0.10 each to HK\$600,000,000 divided into 6,000,000,000 shares are approved by the shareholders of the Company in a special general meeting on 13 July 2009.

The Convertible Bonds are convertible into the new shares of the Company (“Share(s)”) at a conversion price of HK\$1.10 per Share and may be converted at any time from the issue date up to the third anniversary of the date of allotment and issue of the relevant amount of the Convertible Bonds to the relevant placees. The maximum principal amount of the face value of the Convertible Bonds amounted to HK\$500,000,000. At the date of this report, the Group is in the process of assessing the financial impact of the above-mentioned transactions.