



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)



2010
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

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 AND CONVERTIBLE BOND 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 in
association with Ashurst Hong Kong
Norton Rose
Tsang, Chan & Wong
Woo Kwan Lee & Lo

(*As to Bermuda Law*)
Conyers Dill & Pearman

PRINCIPAL BANKERS

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

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For the six months ended 30 June 2010

- Turnover down 37.4% to HK\$908.2 million
- Gross Profit down 42.9% to HK\$486.6 million
- Profit attributable to owners of the Company up 3.1% to HK\$513.4 million
- Basic Earnings Per Share down 4.5% to HK14.48 cents

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of the year, government policies played a dominant role in charting the course of the PRC's real estate market. Following the Central Economic Work Conference held in December 2009, a series of macro-control policies targeting the property sector were introduced. The tightening measures, such as increasing the down payment and mortgage rates for second-home buyers, imposing deadlines for some state companies to retreat from the property sector, and tightening the collection of land appreciation tax, all have had a significant impact on the PRC's real estate market. Both property prices and trading volumes in major cities spiraled down in the face of the macro-control policies.

For the six months ended 30 June 2010, the Group's turnover amounted to HK\$908.2 million, a decrease of 37.4% compared to the same period last year. Gross profit dropped by 42.9% to HK\$486.6 million. Profit attributable to owners of the Company increased by 3.1% to HK\$513.4 million. Basic earnings per share were HK14.48 cents, dropped by 4.5% compared to the same period last year.

Property Sales

Against the background of the state's macro-control policies on the property market, the Group by formulating effective sales strategies for the remaining units of *The Seasons* and *The Mangrove West Coast* has successfully maintained their selling prices at satisfactory levels.

For the period under review, the Group recorded a turnover of HK\$829.6 million from property sales, a decrease of 40.5% compared to the same period last year. The Group sold a total gross floor area ("GFA") of approximately 22,484 square metres during the period, which was 52.3% less compared to 47,182 square metres for the same period last year.

During the period, gross profit of property sales dropped by 45.5% to HK\$455.8 million compared to HK\$836.6 million a year ago. *The Mangrove West Coast* sold a total GFA of 11,644 square metres, with average selling price of RMB41,075 per square metre. *The Seasons* sold a total GFA of 10,840 square metres, with average selling price of RMB27,752 per square metre.

Property Rental

For the six months ended 30 June 2010, total rental income was HK\$17.2 million, up by 83.9% compared to the same period last year. The increase was mainly attributable to the opening of *The Vi City*, a shopping complex with a GFA of 39,434 square metres.



MANAGEMENT DISCUSSION AND ANALYSIS

Officially opened in April 2010, *The Vi City* targets families in the area particularly middle-class families with strong consumption power and stable relationship, catering for their shopping and leisure needs as well as their aspirations for higher quality of living.

With the opening of *The Vi City*, the Group's leasing portfolio now comprises retail space of 62,771 square metres and 3,292 parking spaces.

Opening of the Rockbund Art Museum

In May 2010, the Rockbund Art Museum ("RAM") was officially opened at the former site of the Shanghai Museum with an exhibition titled "Cai Guo-Qiang: Peasant Da Vincis", marking the commencement of operation of some of the preserved heritage buildings under the *Rockbund* project.

With the second Shanghai Fine Jewellery and Art Fair also held at the *Rockbund* in May 2010, together with other seminars and educational activities held by the RAM in the premises, the *Rockbund* has gained strong and wide publicity in local and international media, which not only increased the traffic flow in the *Rockbund* but also greatly enhanced its reputation and brand status in the market.

Coinciding with the PRC's first-time hosting of the World Expo in 2010, the formal opening of the RAM and the commencement of the project's preserved heritage buildings represented prime models for many PRC cities facing the issues of preserving and enhancing cultural and historical sites.

Properties Under Development

As at 30 June 2010, the Group has the following properties under development:

- (1) *Sinolink Tower*, the hotel and office complex of Sinolink Garden Phase Five, located in Luowu district in Shenzhen, has a GFA of 50,000 square metres comprising 30,000 square metres of hotel space and 20,000 square metres of office space. The property is under construction and is expected to be completed by 2011 and commence operation in 2012.
- (2) *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 cultural facilities. The preserved heritage buildings under this development project have commenced operations since May 2010, and the whole project is expected to be completed in 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

- (3) *Ningguo Mansions*, the 13,599.6 square metre site with a plot ratio of 1.0 at Kaifong 240 of Changning District in Shanghai, will be developed into 11 quadrante court houses, each with a GFA of 1,000 to 1,500 square metres. David Chipperfield Architects, a British architecture design company, will be responsible for the construction and decoration design of the project.

NEW PROJECT DEVELOPMENT

With more macro-control policies being introduced, we expect the Mainland's overheated real estate market to cool down in the second half of 2010 amidst consolidations and adjustments. We will continue to keep abreast with the governing policies and development trends in the real estate market through in-depth research and close monitoring, in order to seize the opportunities arising from the macro-control policies and market consolidations. We will continue to strengthen our market development and strive to acquire projects with good potential that meet our risk and return profiles.

MAJOR ASSOCIATE

The Group's major associate, Rockefeller Group Asia Pacific, Inc., contributed HK\$5.8 million to the Group's profit for the period under review, a decrease of 94.3% compared to the same period last year. The decrease in the Group's share of results in the associate was due to the change in the fair value of the associate's properties.

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 2010, the Group recorded revenue from other businesses of HK\$61.4 million, representing an increase of 35.9% compared to the same period last year.

PROSPECTS

Judging by the economic conditions in the PRC and abroad, the second half of the year is likely to be a period of observation as governments keep watchful eyes on the results of the policies. We expect the real estate markets in some regions to face consolidations and changes in housing prices and trading volumes in the second half. The overall real-estate market may experience a period of sluggishness. However, as housing prices fall, they may provide a catalyst to the recovery of the real estate market supported by the pent-up demand shored during the period of observation and home-owners' desire to improve living conditions.



MANAGEMENT DISCUSSION AND ANALYSIS

We will closely monitor the impact of government macro-control policies on the real estate market. Moreover, we will seize any opportunities that may arise from market adjustments to timely increase our land bank. All in all, we remain fully confident about the medium to long-term outlook of the PRC's real estate development.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings decreased from HK\$1,167 million as at 31 December 2009 to HK\$900 million as at 30 June 2010. The total borrowings as at 30 June 2010 included bank loans of HK\$478 million and liability component of the convertible bonds of HK\$422 million. During the period under review, loans amounted to HK\$287 million were repaid. Gearing ratio as at 30 June 2010, calculated on the basis of total borrowings over shareholders' equity was 13.8% compared to 19.2% as at 31 December 2009. The Group was in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing these loans have a carrying value of HK\$400 million as at 30 June 2010. 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\$4,950 million (including pledged deposits) as at 30 June 2010 and are mostly denominated in RMB, Hong Kong dollars and US dollars.

CAPITAL COMMITMENTS

As at 30 June 2010, the Group has capital commitments in respect of the stock of properties under development and other properties under construction amounted to HK\$142 million and HK\$347 million respectively; and committed funding to investment projects amounted to HK\$77.5 million.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$97.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2010, 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.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the associated companies as at 30 June 2010 is presented as follows:

	<i>HK\$'000</i>
Non-current assets	3,285,694
Current assets	502,242
Current liabilities	(59,633)
Non-current liabilities	<u>(3,389,163)</u>
Net assets	<u><u>339,140</u></u>

The Group's attributable interest in the associated companies as at 30 June 2010 comprised net assets of HK\$98,346,000.

The proforma combined statement of financial position of the associated companies is prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2010.

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 2010 (2009: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group employed approximately 896 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.

MANAGEMENT DISCUSSION AND ANALYSIS

PURCHASES, SALE OR REDEMPTION OF LISTED SHARES

During the period, the Company repurchased 22,000,000 shares on the Stock Exchange at an aggregate consideration of HK\$28,956,020. All of the shares were subsequently cancelled.

Month of repurchase	Number of shares repurchased	Price per share		Aggregate Consideration Paid HK\$
		Highest HK\$	Lowest HK\$	
January 2010	20,000,000	1.33	1.29	26,302,900
February 2010	2,000,000	1.34	1.32	2,653,120

The reason for the repurchases of shares was for the enhancement of shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period ended 30 June 2010.

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 2010, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The interim results of the Group for the six months ended 30 June 2010 had not been audited, but had been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Audit Committee.

APPRECIATION

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

By Order of the Board

Sinolink Worldwide Holdings Limited

Ou Yaping

Chairman

Hong Kong, 24 August 2010

OTHER INFORMATION

Directors' Interests or Short Positions in Shares and Shares Options

At 30 June 2010, 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 30.6.2010
		Personal interest	Corporate interest	Family interest				
Chen Wei	Beneficial owner	13,500,000	—	—	13,500,000	11,250,000	24,750,000	0.70%
Law Sze Lai	Beneficial owner	9,345,500	—	—	9,345,500	9,675,000	19,020,500	0.54%
Li Ningjun	Beneficial owner	4,000,000	—	—	4,000,000	8,375,000	12,375,000	0.35%
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	44.28%
Tang Yui Man Francis	Beneficial owner	21,375,000	—	—	21,375,000	22,500,000	43,875,000	1.24%
Tian Jin	Beneficial owner	—	—	—	—	5,175,000	5,175,000	0.15%
Xin Luo Lin	Beneficial owner	—	—	—	—	2,925,000	2,925,000	0.08%

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".

OTHER INFORMATION

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 2010 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2010	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2010	Approximate Percentage of issued share capital of the Company at 30.6.2010
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	0.06%
	12.02.2007	01.07.2010-23.05.2012	1.778	2,250,000	—	—	2,250,000	0.06%
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	0.10%
	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	0.01%
	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	0.04%
	06.02.2007	01.07.2010-23.05.2012	1.778	1,575,000	—	—	1,575,000	0.04%

OTHER INFORMATION

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2010	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2010	Approximate Percentage of issued share capital of the Company at 30.6.2010
Tang Yui Man Francis	12.02.2007	01.01.2009-23.05.2012	1.778	6,750,000	—	—	6,750,000	0.19%
	12.02.2007	01.07.2009-23.05.2012	1.778	6,750,000	—	—	6,750,000	0.19%
	12.02.2007	01.01.2010-23.05.2012	1.778	4,500,000	—	—	4,500,000	0.13%
	12.02.2007	01.07.2010-23.05.2012	1.778	4,500,000	—	—	4,500,000	0.13%
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	0.02%
	12.02.2007	01.07.2009-23.05.2012	1.778	877,500	—	—	877,500	0.02%
	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	12.02.2007	01.01.2009-23.05.2012	1.778	877,500	—	—	877,500	0.02%
	12.02.2007	01.07.2009-23.05.2012	1.778	877,500	—	—	877,500	0.02%
	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:

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

OTHER INFORMATION

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 regarding directors

Pursuant to rule 13.51B(1) of the Listing Rules, the changes and updated information regarding directors of the Company are as follows:

1. Mr. Xin Luo Lin was appointed as a non-executive director of Asian Capital Holdings Limited, a listed public company on the Stock Exchange, on 18 June 2010.
2. Dr. Xiang Bing resigned as an independent non-executive director of E Fund Management Co., Ltd, a listed public company on the Shenzhen Stock Exchange, on 29 June 2010.

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:

Option types	Date of grant	Exercise period	Exercise price <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

OTHER INFORMATION

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

	Option types	Outstanding at 1.1.2010	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.06.2010
<i>Category 1: Directors</i>						
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	2007B Options	2,925,000	—	—	—	2,925,000
Total for directors		<u>59,900,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>59,900,000</u>
<i>Category 2: Employees</i>						
	2005 Options	7,112,500	—	—	(112,500)	7,000,000
	2007A Options	65,587,500	—	—	(18,000,000)	47,587,500
Total for employees		<u>72,700,000</u>	<u>—</u>	<u>—</u>	<u>(18,112,500)</u>	<u>54,587,500</u>
Total for all categories		<u>132,600,000</u>	<u>—</u>	<u>—</u>	<u>(18,112,500)</u>	<u>114,487,500</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, 18,112,500 options were lapsed under the 2002 Share Option Scheme.

Substantial Shareholders

At 30 June 2010, 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 shareholder 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/Nature of Interest	Interest in Shares	Approximate percentage of the Company's issued share capital as at 30.6.2010
Asia Pacific	Beneficial owner/ Beneficial interest	1,560,845,250 (Note)	44.08%

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 2010, 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.

REPORT ON REVIEW OF
INTERIM FINANCIAL INFORMATION

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF SINOLINK WORLDWIDE HOLDINGS LIMITED

Introduction

We have reviewed the interim financial information set out on pages 18 to 38, which comprises the condensed consolidated statement of financial position of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2010 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" ("HKAS 34") 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
24 August 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	NOTES	Six months ended	
		30.6.2010	30.6.2009
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Turnover	3	908,206	1,449,942
Cost of sales		(421,558)	(597,077)
Gross profit		486,648	852,865
Other income		196,208	14,403
Selling expenses		(12,804)	(17,970)
Administrative expenses		(63,279)	(54,023)
Increase in fair value of investment properties	9	123,692	—
Change in fair value of derivatives component of convertible bonds	14	140,272	—
Changes in fair value of investments held for trading		(63,102)	601
Share of results of associates		5,847	102,966
Finance costs	4	(15,101)	(1,474)
Profit before taxation		798,381	897,368
Taxation	5	(224,928)	(323,624)
Profit for the period	6	573,453	573,744
Attributable to:			
Owners of the Company		513,427	498,081
Non-controlling interests		60,026	75,663
		573,453	573,744
		HK cents	HK cents
Earnings per share	8		
Basic		14.48	15.16
Diluted		9.68	15.16

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	573,453	573,744
Other comprehensive income		
Exchange differences arising on translation	71,598	(578)
Share of translation reserve of associates	6,720	(140)
Other comprehensives income for the period	78,318	(718)
Total comprehensive income for the period	651,771	573,026
Total comprehensive income attributable to:		
Owners of the Company	583,481	497,446
Non-controlling interests	68,290	75,580
	651,771	573,026

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2010

	NOTES	30.6.2010 <i>HK\$'000</i> <i>(unaudited)</i>	31.12.2009 <i>HK\$'000</i> <i>(audited)</i>
Non-current assets			
Property, plant and equipment	9	119,196	75,878
Prepaid lease payments		114,291	114,068
Investment properties	9	1,448,169	978,323
Interests in associates		98,346	91,931
Available-for-sale investments		3,081	1,261
Loan receivable	10	2,331,039	2,159,198
		<u>4,114,122</u>	<u>3,420,659</u>
Current assets			
Stock of properties	11	877,865	1,440,723
Trade receivables, deposits and prepayments	12	173,365	101,368
Prepaid lease payments		2,018	1,970
Amounts due from associates		55,357	37,096
Investments held for trading		449,390	327,401
Pledged bank deposits		6,719	17,864
Bank balances and cash		4,942,943	5,377,691
		<u>6,507,657</u>	<u>7,304,113</u>
Current liabilities			
Trade payables, deposits received and accrued charges	13	715,479	1,046,385
Taxation payable		1,381,438	1,280,063
Borrowings - amount due within one year		157,339	440,522
Convertible bonds	14	575,926	702,827
		<u>2,830,182</u>	<u>3,469,797</u>
Net current assets		<u>3,677,475</u>	<u>3,834,316</u>
Total assets less current liabilities		<u>7,791,597</u>	<u>7,254,975</u>
Non-current liabilities			
Borrowings - amount due after one year		321,101	317,821
Deferred taxation		139,975	102,320
		<u>461,076</u>	<u>420,141</u>
		<u>7,330,521</u>	<u>6,834,834</u>
Capital and reserves			
Share capital	15	354,111	356,311
Reserves		6,165,372	5,712,970
Equity attributable to owners of the Company		<u>6,519,483</u>	<u>6,069,281</u>
Non-controlling interests		<u>811,038</u>	<u>765,553</u>
		<u>7,330,521</u>	<u>6,834,834</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Attributable to owners of the Company							Attributable to non-controlling interests		Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	General reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Subtotal HK\$'000	HK\$'000	
At 1 January 2010	356,311	1,851,735	447,688	61,993	88,432	367,782	2,895,340	6,069,281	765,553	6,834,834
Profit for the period	–	–	–	–	–	–	513,427	513,427	60,026	573,453
Exchange differences arising on translation	–	–	63,334	–	–	–	–	63,334	8,264	71,598
Share of translation reserve of associates	–	–	6,720	–	–	–	–	6,720	–	6,720
Total comprehensive income for the period	–	–	70,054	–	–	–	513,427	583,481	68,290	651,771
Repurchase of shares	(2,200)	(26,756)	–	–	–	–	–	(28,956)	–	(28,956)
Recognition of equity-settled share-based payments	–	–	–	1,910	–	–	–	1,910	–	1,910
Lapse of share options	–	–	–	(8,125)	–	–	8,125	–	–	–
Transfer to general reserve (note)	–	–	–	–	60,001	–	(60,001)	–	–	–
Dividends	–	–	–	–	–	–	(106,233)	(106,233)	–	(106,233)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	(22,805)	(22,805)
At 30 June 2010	<u>354,111</u>	<u>1,824,979</u>	<u>517,742</u>	<u>55,778</u>	<u>148,433</u>	<u>367,782</u>	<u>3,250,658</u>	<u>6,519,483</u>	<u>811,038</u>	<u>7,330,521</u>

Note: The general reserves represent the enterprise expansion fund and general reserve fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the PRC, which are not available for distribution.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Attributable to owners of the Company							Attributable to non-controlling interests		Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	General reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Subtotal 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 non-controlling interests 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>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Six months ended	
	30.6.2010 <i>HK\$'000</i> <i>(unaudited)</i>	30.6.2009 <i>HK\$'000</i> <i>(unaudited)</i>
Net cash from operating activities	<u>10,656</u>	<u>1,149,560</u>
Net cash (used in) from investing activities		
Purchase of property, plant and equipment	(45,337)	(1,534)
Development costs paid for investment properties under undevelopment	(28,564)	—
Other investing cash flows	<u>20,232</u>	<u>10,279</u>
	<u>(53,669)</u>	<u>8,745</u>
Net cash (used in) from financing activities		
Repayment of bank loans	(286,698)	(83,478)
Dividends paid	(106,233)	(65,720)
Dividends paid to non-controlling interests of subsidiaries	(22,805)	(22,701)
Payment on repurchase of shares	(28,956)	—
Interest paid	(13,522)	(15,777)
New bank loans raised	<u>—</u>	<u>333,447</u>
	<u>(458,214)</u>	<u>145,771</u>
Net (decrease) increase in cash and cash equivalents	(501,227)	1,304,076
Cash and cash equivalents at beginning of the period	5,377,691	2,015,916
Effect of foreign exchange rate changes	<u>66,479</u>	<u>(1,651)</u>
Cash and cash equivalents at end of the period, representing bank balances and cash	<u><u>4,942,943</u></u>	<u><u>3,318,341</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 2009.

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.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) - INT 17	Distributions of Non-cash Assets to Owners

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for change in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim periods in which HKFRS3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Result of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosure ⁴
HKAS 32 (Amendment)	Classification of Right Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for first-time adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) - INT 14 (Amendment)	Prepayments of a minimum funding requirement ⁴
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instrument ³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 February 2010.

³ Effective for annual periods beginning on or after 1 July 2010.

⁴ Effective for annual periods beginning on or after 1 January 2011.

⁵ Effective for annual periods beginning on or after 1 January 2013.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. *PRINCIPAL ACCOUNTING POLICIES (Cont'd)*

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

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 the financial position of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

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

Six months ended 30 June 2010

	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	829,611	17,230	41,660	19,705	—	908,206
Inter-segment sales	—	—	—	1,026	(1,026)	—
	<u>829,611</u>	<u>17,230</u>	<u>41,660</u>	<u>20,731</u>	<u>(1,026)</u>	<u>908,206</u>
SEGMENT RESULT	<u>413,653</u>	<u>139,829</u>	<u>5,540</u>	<u>7,976</u>	<u>—</u>	<u>566,998</u>
Interest income						194,870
Other income						1,338
Unallocated corporate expenses						(32,741)
Changes in fair value of investments held for trading						(63,102)
Share of results of associates						5,847
Changes in fair value of derivatives component of convertible bonds						140,272
Finance costs						(15,101)
Profit before taxation						<u>798,381</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Cont'd)

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>	<u>802,095</u>
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						<u>897,368</u>

Segment result represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, investment revenue, change in fair value of derivatives component of convertible bonds and finance costs. This is the measure reported to Chief Executive Officer ("CEO"), the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCE COSTS

	Six months ended	
	30.6.2010 <i>HK\$'000</i>	30.6.2009 <i>HK\$'000</i>
Interest on bank borrowings:		
– wholly repayable within five years	7,426	15,777
– not wholly repayable within five years	6,096	—
Effective interest expense on convertible bonds	<u>13,371</u>	<u>—</u>
	26,893	15,777
Less: Amount capitalised to properties under development for sale	<u>(11,792)</u>	<u>(14,303)</u>
	<u>15,101</u>	<u>1,474</u>

5. TAXATION

	Six months ended	
	30.6.2010 <i>HK\$'000</i>	30.6.2009 <i>HK\$'000</i>
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	95,685	136,819
– PRC land appreciation tax	<u>92,645</u>	<u>181,130</u>
	188,330	317,949
Deferred taxation	<u>36,598</u>	<u>5,675</u>
	<u>224,928</u>	<u>323,624</u>

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.

Taxation for subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone is calculated at the rate of 22% (2009: 20%) of its assessable profits for the six months ended 30 June 2010.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION(Cont'd)

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

6. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	2,765	3,381
Release of prepaid lease payments	989	47
and after crediting:		
Interest income (included in other income) from:		
– bank deposits	23,029	12,605
– loan receivable	171,841	—
– amount due from an associate	—	135
	<u>195,615</u>	<u>12,787</u>

7. DIVIDENDS

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
2009 final, paid - HK3.0 cents (2009: 2008 final, paid - HK2.0 cents) per share	<u>106,233</u>	<u>65,720</u>

The directors do not declare the payment of an interim dividend in respect of six months ended 30 June 2010 (six month ended 30 June 2009: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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:

	Six months ended	
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company	513,427	498,081
Effect of dilutive potential ordinary shares:		
Change in fair value of derivative component of convertible bonds	(140,272)	—
Interest on convertible bonds	13,371	—
	<u>386,526</u>	<u>498,081</u>
Earnings for the purpose of diluted earnings per share		
	<u>386,526</u>	<u>498,081</u>
	Number of shares	
	30.6.2010	30.6.2009
Weighted average number of shares for the purpose of basic earnings per share	3,545,433,274	3,285,997,924
Effect of dilutive potential ordinary shares:		
Share options	2,950,530	—
Convertible bonds	445,454,546	—
	<u>3,993,838,350</u>	<u>3,285,997,924</u>
Weighted average number of shares for the purpose of diluted earnings per share		
	<u>3,993,838,350</u>	<u>3,285,997,924</u>

The computation of diluted earnings per share for 2009 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

During the period, the Group spent approximately HK\$45,337,000 (six months ended 30 June 2009: HK\$1,534,000) on property, plant and equipment which included additions of property under development of HK\$42,847,000 (six months ended 30 June 2009: nil), and HK\$28,564,000 (six months ended 30 June 2009: nil) on investment properties under construction respectively.

The fair values of the Group's completed investment properties at 30 June 2010 and 31 December 2009 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.

Stock of completed properties with carrying value of HK\$306,792,000 (six months ended 30 June 2009: nil) was transferred to investment properties when there was commencement of an operating lease to another party during the period. The difference between the fair value of these properties at the end of the reporting period and its previous carrying amount, amounting to approximately HK\$123,692,000 (six months ended 30 June 2009: nil), was recognised in condensed consolidated income statement and presented as increase in fair value of investment properties.

Change in fair value of investment properties in the current period is HK\$123,692,000 (six months ended 30 June 2009: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LOAN RECEIVABLE

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Shareholder's loan receivable	<u>2,331,039</u>	<u>2,159,198</u>

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 20% coupon interest rate per annum and forms part of the net investment of the Group in RGAP. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimates of the timing of such receipts. The loan receivable including principal and interest is unsecured and not repayable in the foreseeable future.

The Group has reviewed the carrying amount of loan receivable and considered that this amount is fully recoverable by reference to the present value of the estimated future cash flows discounted using the effective interest rate computed at initial recognition.

11. STOCK OF PROPERTIES

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Properties under development	650,452	675,163
Completed properties held for sale	<u>227,413</u>	<u>765,560</u>
	<u>877,865</u>	<u>1,440,723</u>

Stock of properties were stated at cost.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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\$2,883,000 (31.12.2009: HK\$1,909,000), the aged analysis of which is as follows:

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Aged:		
0 to 90 days	2,041	1,393
91 to 180 days	466	348
Over 181 days	376	168
	<u>2,883</u>	<u>1,909</u>

13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK\$364,461,000 (31.12.2009: HK\$391,166,000) and receipt in advance from property sales of HK\$42,919,000 (31.12.2009: HK\$492,497,000).

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

	30.6.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i>
Aged:		
0 to 90 days	292,226	265,970
91 to 180 days	1,990	15,468
181 to 360 days	13,498	5,601
Over 360 days	56,747	104,127
	<u>364,461</u>	<u>391,166</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CONVERTIBLE BONDS

On 28 September 2009, the Company issued the three-year zero coupon convertible bonds at par with a nominal value of HK\$500,000,000 to independent third parties. The convertible bonds are denominated in Hong Kong dollars. The bonds entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bonds and their settlement date on 28 September 2012 (“Maturity Date”) at a conversion price of HK\$1.10 per ordinary share. If the bonds have not been converted, they will be redeemed on Maturity Date at par.

During the year ended 31 December 2009, convertible bonds with a nominal value of HK\$10,000,000 were converted by the bondholders into 9,090,908 ordinary shares at a conversion price of HK\$1.10 per ordinary share. There was no conversion of convertible bonds noted during the period.

The convertible bonds contain two components, liability component and conversion and early redemption option derivatives component. The conversion and early redemption option derivatives are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the liability component and conversion and early redemption option derivatives component of the convertible bonds for the period is set out as below:

	Carrying amount			
	Principal amount <i>HK\$'000</i>	Liability component <i>HK\$'000</i>	Conversion and early redemption option derivatives <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2010	490,000	408,546	294,281	702,827
Interest charge	—	13,371	—	13,371
Change in fair value	—	—	(140,272)	(140,272)
At 30 June 2010	<u>490,000</u>	<u>421,917</u>	<u>154,009</u>	<u>575,926</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CONVERTIBLE BONDS (Cont'd)

The estimate of the fair value of the conversion and early redemption option derivatives is measured based on the binomial option pricing model. Details of the assumptions of conversion and early redemption option derivatives are as follows:

Date of valuation	30.6.2010	31.12.2009
Share price (HK\$)	1.120	1.480
Exercise price (HK\$)	1.100	1.100
Expected volatility (expressed as a weighted average volatility used in the modeling under binomial option pricing model)	47.94%	43.81%
Maturity period	2.2 years	2.7 years
Conversion period	2.2 years	2.7 years

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Shares of HK\$0.10 each		
Authorised:		
At 1 January 2010 and 30 June 2010	4,800,000,000	480,000
Issued and fully paid:		
At 1 January 2010	3,563,112,832	356,311
Repurchase of shares	(22,000,000)	(2,200)
At 30 June 2010	3,541,112,832	354,111

During the six months ended 30 June 2010, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares	Price per share		Aggregate consideration paid HK\$'000
		Highest	Lowest	
January 2010	20,000,000	HK\$1.33	HK\$1.29	26,303
February 2010	2,000,000	HK\$1.34	HK\$1.32	2,653
	<u>22,000,000</u>			<u>28,956</u>

The shares repurchased by the Company during the period were cancelled.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. 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	
			30.6.2010 HK\$'000	30.6.2009 HK\$'000
RGAP	Interest income on loan receivable	a	171,841	—
	Interest income on advances		—	135
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. ("Shanghai Rockefeller")	Project management fee income	a	13,098	13,098
Ms. Cheung Loi Ping	Sales of properties	b	3,490	—
Enerchina Holdings Limited ("Enerchina")	Rental and other fees received	c	1,689	1,689

Notes:

- RGAP and Shanghai Rockefeller are associates of the Group.
- Ms. Cheung Loi Ping is the wife of Mr. Ou Yaping, a director and a substantial shareholder of the Company.
- 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 a substantial shareholder of Enerchina.

During the period, the total emoluments of directors of key management personnel were HK\$10,443,000 (six months ended 30 June 2009: HK\$9,216,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. CONTINGENT LIABILITIES

	30.6.2010	31.12.2009
	HK\$'000	HK\$'000
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	97,659	106,622

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 2010 and 31 December 2009 and it is not probable that the counter parties would default on the relevant loans.

18. COMMITMENTS

	30.6.2010	31.12.2009
	HK\$'000	HK\$'000
Commitments in respect of stock of properties under development:		
– contracted for but not provided in the condensed consolidated financial statements	13,239	13,075
– authorised but not contracted for	128,586	110,355
Committed funding to an investment fund	77,500	77,500
Capital commitments in respect of other properties under constructions:		
– contracted for but not provided in the condensed consolidated financial statements	109,754	117,244
– authorised but not contracted for	236,953	366,098

19. PLEDGE OF ASSETS

At 30 June 2010, bank deposits of HK\$6,719,000 (31.12.2009: HK\$17,864,000); and investment properties with an aggregate carrying amount of HK\$393,349,000 (31.12.2009: HK\$389,330,000) were pledged to banks to secure general banking facilities granted to the Group.