



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2011 INTERIM REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ou Yaping (Chairman)

Tang Yui Man Francis

(Chief Executive Officer)

Chen Wei

Xiang Ya Bo

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, Infinitus Plaza

199 Des Voeux Road Central

Hong Kong

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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 Ningbo, Shenzhen Branch

China Construction Bank Corporation,

Shenzhen Branch

China Merchants Bank, Shenzhen Branch

Industrial and Commercial Bank of

China, Shenzhen Branch

The Bank of East Asia (China) Limited



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For the six months ended 30 June 2011

- Turnover down 77.5% to HK\$204.3 million
- Gross Profit down 73.4% to HK\$129.6 million
- Profit attributable to owners of the Company down 24.5% to HK\$387.8 million
- Basic Earnings Per Share down 24.4% to HK10.95 cents

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the face of rapidly rising inflation, the PRC has been steadfastly raising banks' reserve ratio and interest rates during the first half of 2011. In addition, on top of the "Ten National Notices" announced last year, the State Council further issued the "Eight National Notices" in January 2011 to expand the scope and magnitude of curbs against rising home prices. As of now, some 40 cities have already implemented property purchase limits, the severity of which slightly varies. On 27 January, the long-awaited property tax reform was approved, with Shanghai and Chongqing launching trial run measures that mark the central government's determined effort to push forward reforms of real estate taxes.

For the six months ended 30 June 2011, the Group's turnover amounted to HK\$204.3 million, a decrease of 77.5% compared with the same period last year. Gross profit dropped by 73.4% to HK\$129.6 million. Profit attributable to owners of the Company fell by 24.5% to HK\$387.8 million. Basic earnings per share amounted to HK10.95 cents, a decline of 24.4% compared with the same period last year.

Property Sales

During the period under review, the Group had only a small amount of properties available for sale, which comprised the remaining units of *The Seasons* and *The Mangrove West Coast*. As such, the Group's turnover from property sales dropped to HK\$80.4 million, a decrease of 90.3% compared with the same period last year. The Group sold a total gross floor area ("GFA") of approximately 1,766 square meters during the period, which was 92.1% less compared to 22,484 square meters recorded a year ago.

During the period, gross profit of property sales declined by 88.2% to HK\$54.0 million compared with the same period last year. *The Mangrove West Coast* sold a GFA of 1,444 square meters at an average selling price of approximately RMB46,000 per square meter. *The Seasons* sold a GFA of 322 square meters at an average selling price of approximately RMB36,000 per square meter.

Property Rental

For the six months ended 30 June 2011, total rental income amounted to HK\$47.7 million, an increase of 177.0% compared with the same period last year. The increase was mainly attributable to the contribution from *The Vi City*, which opened in April 2010 and has a GFA of 39,434 square meters.

With the opening of *The Vi City*, the Group's leasing portfolio now comprises retail space of more than 60,000 square meters and about 3,000 parking spaces.

MANAGEMENT DISCUSSION AND ANALYSIS

Properties Under Development

As at 30 June 2011, 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 meters comprising 30,000 square meters of hotel space and 20,000 square meters of office space. The property is expected to 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 meters and a GFA of 94,080 square meters. 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 2014.
- (3) *Ningguo Mansions*, the 13,599.6 square meter site with a plot ratio of 1.0 at Kaifong 240 of Changning District in Shanghai, will be developed into 11 quadrate court houses, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project, which is located in one of the most accessible and luxury living districts in Shanghai. The land is situated in a low density neighbourhood with luxury residential properties around, and is conveniently located being approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

MAJOR ASSOCIATE

The Group's major associate, Rockefeller Group Asia Pacific, Inc., contributed HK\$13.5 million to the Group's profit, an increase of 130.6% over the same period last year. The increase in the Group's share of results in the associate was due to the change in the fair value of the associate's properties.

Rockbund

Situated at the junction of Huangpu River and Suzhou Creek, *Rockbund* is a redevelopment project that celebrates the birthplace of modern Shanghai. It is part of the historical and cultural preservation area of Shanghai Bund, neighbouring Nanjing Road and the Lujiazui business district and commanding a unique and advantageous location that gives easy access to convenient transport and five-star hotels in the vicinity. Thriving on the theme of "Art Invigorates Business", the project makes full empowerment of the historical architecture and art aroma in the area to provide high quality leasing space for a variety of businesses with flexible and elegant design layouts to meet customers' diverse needs.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, *Rockbund* has commenced leasing works for six preserved heritage buildings. More than one hundred representatives from over 40 corporations and institutions have visited the premises as part of the marketing and promotional programme. As of to date, leasing agreements have been entered into with six corporations and institutions, and a number of letters of intent have been signed.

In addition, a wide variety of exhibitions and cultural and arts activities have been held in the Rockbund Art Museum during the period under review, which not only enhanced the reputation and brand status of *Rockbund* in the market but also provided favourable support for its leasing activities.

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 2011, the Group recorded revenue from other businesses of HK\$76.2 million, representing an increase of 24.1% compared with the same period last year.

PROSPECTS

Adopted in early 2010, the PRC's real estate control measures have been in force for more than a year, with a severity that is unprecedented. Some initial success has been achieved since April this year, as reflected in the slower rise in home prices, the lower levels of housing transactions, and a cool-down in market sentiment. Nonetheless, the Management believes that the central government will not rush to relax the control policies given its strong view to ensure success, and the fact that economic growth remains reasonably strong while inflation remains at high levels.

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 increased from HK\$732.3 million as at 31 December 2010 to HK\$749.1 million as at 30 June 2011. The total borrowings as at 30 June 2011 included bank loans of HK\$436.5 million and liability component of the convertible bonds of HK\$312.6 million. Gearing ratio as at 30 June 2011, calculated on the basis of total borrowings over shareholders' equity, was 10.6% as compared to 11.1% as at 31 December 2010. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

MANAGEMENT DISCUSSION AND ANALYSIS

Total assets pledged in securing these loans had a carrying value of HK\$469.3 million as at 30 June 2011. The borrowings of the Group are denominated in RMB and HKD. 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 have been used for hedging purpose; however, the Board will continue to evaluate and closely monitor the potential impact of RMB appreciation and interest rates movement on the Group.

The Group's cash and cash equivalents amounted to HK\$4,643.3 million as at 30 June 2011 and were mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 30 June 2011, the Group had capital commitments in respect of properties under constructions and commitments in respect of stock of properties under development amounting to HK\$568.6 million and HK\$439.1 million respectively.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$81.8 million.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES")

As at 30 June 2011, 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 2011 is presented as follows:

	<i>HK\$'000</i>
Non-current assets	3,700,847
Current assets	542,479
Current liabilities	(319,738)
Non-current liabilities	<u>(3,662,197)</u>
Net assets	<u>261,391</u>

The Group's attributable interest in the associated companies as at 30 June 2011 comprised net assets of HK\$126,944,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE END OF THE INTERIM PERIOD - REDEMPTION OF CONVERTIBLE BONDS

In August 2011, the Group entered into the redemption agreements with certain bondholders of the Group's convertible bonds, pursuant to which the Group agreed to redeem convertible bonds with an aggregate principal amount of HK\$315 million at a consideration of HK\$315 million. The carrying amount of the liability component and derivatives amounted to HK\$289.6 million and HK\$31.9 million, respectively as at 30 June 2011. After the completion of the aforementioned redemption, the outstanding principal amount of the convertible bonds reduced to HK\$25 million.

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 2011 (2010: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group employed approximately 783 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 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 for the six months ended 30 June 2011.

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 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 2011, all Directors have complied with the required standard set out in the Model Code.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Audit Committee has reviewed the condensed financial statements for the six months ended 30 June 2011 including the accounting principles and practices adopted by the Group, in conjunction with the Company’s external auditor, Deloitte Touche Tohmatsu.

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

TANG Yui Man Francis

Chief Executive Officer

Hong Kong, 25 August 2011

OTHER INFORMATION

Directors' Interests or Short Positions in Shares and Share Options

At 30 June 2011, 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 30.6.2011
		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	2,000,000	-	-	2,000,000	8,375,000	10,375,000	0.29%
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%
Xiang Ya Bo	Beneficial owner	-	-	-	-	11,250,000	11,250,000	0.32%
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 below 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 for the Shares, details of which as at 30 June 2011 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of Shares subject to outstanding options at 1.1.2011	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2011	Approximate Percentage of issued share capital of the Company at 30.6.2011
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 1.1.2011	Granted during the period	Exercised during the period	Number of Shares subject to outstanding options at 30.6.2011	Approximate percentage of issued share capital of the Company at 30.6.2011
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%
Xiang Ya Bo	06.02.2007	01.01.2009–23.05.2012	1.778	–	–	–	3,375,000	0.10%
	06.02.2007	01.07.2009–23.05.2012	1.778	–	–	–	3,375,000	0.10%
	06.02.2007	01.01.2010–23.05.2012	1.778	–	–	–	2,250,000	0.06%
	06.02.2007	01.07.2010–23.05.2012	1.778	–	–	–	2,250,000	0.06%
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%

OTHER INFORMATION

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 to or exercised by the Directors and no options held by the Directors were lapsed or cancelled.
4. Mr. Xiang Ya Bo was appointed as executive director of the Company on 28 March 2011.

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 of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

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. Tian Jin resigned as CEO of Morningstar Asia Ltd. on 1 August 2011.
2. Mr. Xin Luo Lin was appointed as a non-executive director of China Environmental Technology Holdings Limited, a listed public company on the Stock Exchange, on 17 March 2011.

OTHER INFORMATION

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 1.1.2011	Transferred from category 2 to category 1 during the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2011
<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
Xiang Ya Bo	2007A Options	–	11,250,000	–	–	11,250,000
Xin Luo Lin	2007B Options	2,925,000	–	–	–	2,925,000
Total for Directors		59,900,000	11,250,000	–	–	71,150,000
<i>Category 2: Employees</i>						
	2005 Options	7,000,000	–	–	–	7,000,000
	2007A Options	44,212,500	(11,250,000)	–	(1,125,000)	31,837,500
Total for employees		51,212,500	(11,250,000)	–	(1,125,000)	38,837,500
Total for all categories		111,112,500	–	–	(1,125,000)	109,987,500

OTHER INFORMATION

Notes:

1. The vesting period of the share options is from the date of 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.
3. During the period, 1,125,000 options were lapsed under the 2002 Share Option Scheme.
4. Mr. Xiang Ya Bo was appointed as executive director of the Company on 28 March 2011 and his share options was transferred from category 2 to category 1.

Substantial Shareholders

At 30 June 2011, 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(s) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short positions in Shares and underlying Shares

Name of shareholder	Capacity/ Nature of Interest	Interest in Shares	Approximate percentage of the Company's issued share capital at 30.6.2011
Asia Pacific	Beneficial owner/ Beneficial interest	1,560,845,250 (Long) (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 2011, 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.

德勤

TO THE BOARD OF DIRECTORS OF SINOLINK WORLDWIDE HOLDINGS LIMITED

Introduction

We have reviewed the interim financial information set out on pages 17 to 36, 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 2011 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
25 August 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	NOTES	Six months ended	
		30.6.2011 <i>HK\$'000</i> <i>(unaudited)</i>	30.6.2010 <i>HK\$'000</i> <i>(unaudited)</i>
Turnover	3	204,270	908,206
Cost of sales		(74,689)	(421,558)
Gross profit		129,581	486,648
Other income		166,314	196,208
Selling expenses		(6,296)	(12,804)
Administrative expenses		(37,997)	(63,279)
Increase in fair value of investment properties	9	228,844	123,692
Gain on derivative components of convertible bonds	14	39,934	140,272
Changes in fair value of investments held for trading		22,848	(63,102)
Share of results of associates		13,483	5,847
Finance costs	4	(10,561)	(15,101)
Profit before taxation		546,150	798,381
Taxation	5	(121,433)	(224,928)
Profit for the period	6	424,717	573,453
Attributable to:			
Owners of the Company		387,793	513,427
Non-controlling interests		36,924	60,026
		424,717	573,453
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	8		
Basic		10.95	14.48
Diluted		9.28	9.68

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Six months ended	
	30.6.2011 <i>HK\$'000</i> <i>(unaudited)</i>	30.6.2010 <i>HK\$'000</i> <i>(unaudited)</i>
Profit for the period	<u>424,717</u>	<u>573,453</u>
Other comprehensive income		
Exchange differences arising on translation	92,124	71,598
Share of translation reserve of associates	<u>2,532</u>	<u>6,720</u>
Other comprehensive income for the period	<u>94,656</u>	<u>78,318</u>
Total comprehensive income for the period	<u><u>519,373</u></u>	<u><u>651,771</u></u>
Total comprehensive income attributable to:		
Owners of the Company	462,908	583,481
Non-controlling interests	<u>56,465</u>	<u>68,290</u>
	<u><u>519,373</u></u>	<u><u>651,771</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 JUNE 2011

	NOTES	30.6.2011 <i>HK\$'000</i> <i>(unaudited)</i>	31.12.2010 <i>HK\$'000</i> <i>(audited)</i>
Non-current assets			
Property, plant and equipment	9	188,014	151,403
Prepaid lease payments		117,658	116,051
Investment properties	9	1,699,236	1,518,895
Interests in associates		126,944	110,929
Available-for-sale investments		13,761	1,261
Amount due from an investee company		1,820	1,820
Loan receivable	10	2,167,567	2,021,078
		<u>4,315,000</u>	<u>3,921,437</u>
Current assets			
Stock of properties	11	803,358	786,179
Trade and other receivables, deposits and prepayments	12	162,761	203,489
Prepaid lease payments		2,086	2,039
Amounts due from associates		68,339	57,140
Investments held for trading		570,411	547,563
Pledged bank deposits	19	543	1,633
Bank balances and cash		4,643,288	4,915,904
		<u>6,250,786</u>	<u>6,513,947</u>
Current liabilities			
Trade payables, deposits received and accrued charges	13	529,772	580,744
Taxation payable		1,058,554	1,424,188
Borrowings - amount due within one year		208,173	158,754
Convertible bonds	14	347,062	377,641
		<u>2,143,561</u>	<u>2,541,327</u>
Net current assets		<u>4,107,225</u>	<u>3,972,620</u>
Total assets less current liabilities		<u>8,422,225</u>	<u>7,894,057</u>
Non-current liabilities			
Borrowings - amount due after one year		228,366	270,271
Deferred taxation		198,485	147,785
		<u>426,851</u>	<u>418,056</u>
		<u>7,995,374</u>	<u>7,476,001</u>
Capital and reserves			
Share capital	15	354,111	354,111
Reserves		6,734,893	6,271,985
Equity attributable to owners of the Company		<u>7,089,004</u>	<u>6,626,096</u>
Non-controlling interests		906,370	849,905
		<u>7,995,374</u>	<u>7,476,001</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	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 reserves HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Subtotal HK\$'000	Interests HK\$'000	
At 1 January 2011	354,111	1,824,979	577,465	54,261	148,846	367,782	3,298,652	6,626,096	849,905	7,476,001
Profit for the period	—	—	—	—	—	—	387,793	387,793	36,924	424,717
Exchange differences arising on translation	—	—	72,583	—	—	—	—	72,583	19,541	92,124
Share of translation reserve of associates	—	—	2,532	—	—	—	—	2,532	—	2,532
Total comprehensive income for the period	—	—	75,115	—	—	—	387,793	462,908	56,465	519,373
Lapse of share options	—	—	—	(506)	—	—	506	—	—	—
At 30 June 2011	<u>354,111</u>	<u>1,824,979</u>	<u>652,580</u>	<u>53,755</u>	<u>148,846</u>	<u>367,782</u>	<u>3,686,951</u>	<u>7,089,004</u>	<u>906,370</u>	<u>7,995,374</u>
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 CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Six months ended	
	30.6.2011 <i>HK\$'000</i> <i>(unaudited)</i>	30.6.2010 <i>HK\$'000</i> <i>(unaudited)</i>
Net cash (used in) from operating activities	<u>(421,976)</u>	<u>10,656</u>
Net cash from (used in) investing activities		
Proceeds from disposal of investment properties	106,971	—
Purchase of property, plant and equipment	(18,181)	(45,337)
Development costs paid for investment properties under development	(9,179)	(28,564)
Other investing cash flows	(2,150)	20,232
	<u>77,461</u>	<u>(53,669)</u>
Net cash used in financing activities		
Interest paid	(11,264)	(13,522)
Repayment of bank loans	—	(286,698)
Dividends paid	—	(106,233)
Dividends paid to non-controlling interests of subsidiaries	—	(22,805)
Payment on repurchase of shares	—	(28,956)
	<u>(11,264)</u>	<u>(458,214)</u>
Net decrease in cash and cash equivalents	<u>(355,779)</u>	<u>(501,227)</u>
Cash and cash equivalents at beginning of the period	4,915,904	5,377,691
Effect of foreign exchange rate changes	83,163	66,479
Cash and cash equivalents at end of the period, representing bank balances and cash	<u><u>4,643,288</u></u>	<u><u>4,942,943</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related party disclosures
HKAS 32 (Amendments)	Classification of rights issues
HK(IFRIC) - INT 14 (Amendments)	Prepayments of a minimum funding requirement
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

The Group has not early applied the following new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ²
HKAS 19 (Revised 2011)	Employee benefits ¹
HKAS 27 (Revised 2011)	Separate financial statements ¹
HKAS 28 (Revised 2011)	Investments in associates and joint ventures ¹

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

² Effective for annual periods beginning on or after 1 July 2012

The five new or revised standards on consolidation, joint arrangements and disclosures including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (Revised 2011) and HKAS 28 (Revised 2011) were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The directors of the Company anticipate that these new or revised standards will be applied in the Group’s consolidated financial statements for financial year beginning of 1 January 2013 and are in the process of assessing the impact.

Other than those disclosed above, the directors of the Company anticipate that the application of these new and revised standards will have no material impact on the results and 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 2011

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total for reportable segment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER							
External sales	80,378	47,723	51,782	179,883	24,387	—	204,270
Inter-segment sales	—	—	—	—	1,073	(1,073)	—
	<u>80,378</u>	<u>47,723</u>	<u>51,782</u>	<u>179,883</u>	<u>25,460</u>	<u>(1,073)</u>	<u>204,270</u>
SEGMENT RESULT	<u>47,770</u>	<u>270,570</u>	<u>8,954</u>	<u>327,294</u>	<u>8,023</u>	<u>—</u>	<u>335,317</u>
Other income							166,314
Unallocated corporate expenses							(21,185)
Gain on derivative components of convertible bonds							39,934
Changes in fair value of investments held for trading							22,848
Share of results of associates							13,483
Finance costs							(10,561)
Profit before taxation							<u>546,150</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Cont'd)

Six months ended 30 June 2010

	Property development HK\$'000	Property investment HK\$'000	Property management HK\$'000	Total for reportable segment HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER							
External sales	829,611	17,230	41,660	888,501	19,705	–	908,206
Inter-segment sales	–	–	–	–	1,026	(1,026)	–
	<u>829,611</u>	<u>17,230</u>	<u>41,660</u>	<u>888,501</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>559,022</u>	<u>7,976</u>	<u>–</u>	<u>566,998</u>
Other income							196,208
Unallocated corporate expenses							(32,741)
Gain on derivative components of convertible bonds							140,272
Changes in fair value of investments held for trading							(63,102)
Share of results of associates							5,847
Finance costs							(15,101)
Profit before taxation							<u>798,381</u>

Inter-segment sales are charged at prevailing market prices.

Segment result represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, interest income, change in fair value of investments held for trading and derivative components of convertible bonds 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCE COSTS

	Six months ended	
	30.6.2011 <i>HK\$'000</i>	30.6.2010 <i>HK\$'000</i>
Interest on bank borrowings:		
- wholly repayable within five years	11,264	7,426
- not wholly repayable within five years	—	6,096
Effective interest expense on convertible bonds	9,355	13,371
	20,619	26,893
Less: Amount capitalised to properties under development for sale	—	(11,792)
Amount capitalised to property under construction	(6,035)	—
Amount capitalised to investment properties under construction	(4,023)	—
	10,561	15,101

5. TAXATION

	Six months ended	
	30.6.2011 <i>HK\$'000</i>	30.6.2010 <i>HK\$'000</i>
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	26,975	95,685
PRC land appreciation tax	47,377	92,645
	74,352	188,330
Deferred taxation	47,081	36,598
	121,433	224,928

No provision for Hong Kong Profits Tax was made in this period as the amount involved was insignificant.

Taxation for subsidiaries of the Group which were established and principally operated in the Shenzhen Special Economic Zone is calculated at the rate of 24% (six months ended 30 June 2010: 22%) of its assessable profits for the six months ended 30 June 2011.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION (Cont'd)

In addition, PRC land appreciation tax ("LAT") is 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	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	3,990	2,765
Release of prepaid lease payments	49	48
and after crediting:		
Interest income (included in other income) from:		
- bank deposits	19,117	23,029
- loan receivable	146,489	171,841
	<u><u> </u></u>	<u><u> </u></u>

7. DIVIDENDS

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
No final dividend for 2010 (2010: final dividend for 2009 of HK3.0 cents per share)	<u><u> </u></u>	<u><u>106,233</u></u>

The directors have determined that no interim dividend shall be paid in respect of the six months ended 30 June 2011 (six months ended 30 June 2010: 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	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company	387,793	513,427
Effect of dilutive potential ordinary shares:		
Change in fair value of derivative component of convertible bonds	(39,934)	(140,272)
Interest on convertible bonds	9,355	13,371
	<u>357,214</u>	<u>386,526</u>
Earnings for the purpose of diluted earnings per share	357,214	386,526
	Number of shares	
	30.6.2011	30.6.2010
Weighted average number of shares for the purpose of basic earnings per share	3,541,112,832	3,545,433,274
Effect of dilutive potential ordinary shares:		
Share options	—	2,950,530
Convertible bonds	309,090,909	445,454,546
	<u>3,850,203,741</u>	<u>3,993,838,350</u>

The computation of diluted earnings per share for the six months ended 30 June 2011 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 2011.

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\$37,197,000 (six months ended 30 June 2010: HK\$45,337,000) on property, plant and equipment which included additions of property under development of HK\$34,860,000 (six months ended 30 June 2010: HK\$42,847,000), and HK\$21,856,000 (six months ended 30 June 2010: HK\$28,564,000) on investment properties under construction respectively.

In current period, the Group disposed certain of its investment properties for cash consideration of HK\$106,971,000 and the gain which arose on the disposal of these investment properties of HK\$64,362,000 has been recognised as increase in fair value of investment properties in the profit and loss for the period.

The fair values of the Group's completed investment properties at 30 June 2011 and 31 December 2010 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, and are the members of The Hong Kong Institute of Surveyors. The valuation of investment properties of HK\$1,603,362,000 (31.12.2010: HK\$1,446,532,000) was arrived at by reference to market evidence of transaction prices for similar properties. The investment properties under construction of HK\$95,874,000 (31.12.2010: HK\$72,363,000) only include the building portion. The directors consider that the fair value of the investment properties under construction at the end of reporting period approximates to its carrying amount.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LOAN RECEIVABLE

	30.6.2011	31.12.2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Shareholder's loan receivable	<u>2,167,567</u>	<u>2,021,078</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

	30.6.2011	31.12.2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Properties under development	694,160	653,462
Completed properties held for sale	109,198	132,717
	<u>803,358</u>	<u>786,179</u>

Stock of properties were stated at cost.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2011	31.12.2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	10,968	10,657
Other receivables, deposits and prepayments (Note)	151,793	192,832
	<u>162,761</u>	<u>203,489</u>

Note: Included in other receivables is an amount of HK\$90,678,000 (31.12.2010: HK\$146,000,000) advanced to an independent third party to explore potential opportunities for the investment projects for the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The Group allows an average credit period ranging from 0 to 60 days to its trade customers. The aged analysis of which presented based on the invoice date is as follows:

	30.6.2011 <i>HK\$'000</i>	31.12.2010 <i>HK\$'000</i>
Aged:		
0 to 90 days	10,609	6,825
91 to 180 days	328	3,732
Over 181 days	31	100
	<u>10,968</u>	<u>10,657</u>

13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

Included in trade payables, deposits received and accrued charges are trade payables of HK\$294,820,000 (31.12.2010: HK\$363,219,000) and receipt in advance from property sales of HK\$27,880,000 (31.12.2010: HK\$62,454,000).

The following is an analysis of trade payables by age, presented based on invoice date.

	30.6.2011 <i>HK\$'000</i>	31.12.2010 <i>HK\$'000</i>
Aged:		
0 to 90 days	237,889	331,734
91 to 180 days	12,917	1,561
181 to 360 days	21,967	8,094
Over 360 days	22,047	21,830
	<u>294,820</u>	<u>363,219</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 2010, convertible bonds with a nominal value of HK\$150,000,000 were redeemed by the Group at cash consideration of HK\$150,000,000.

In prior periods, 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 redemption and conversion of convertible bonds during the current 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 derivative components of the convertible bonds for the period are 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 2011	340,000	303,263	74,378	377,641
Interest charge	—	9,355	—	9,355
Change in fair value	—	—	(39,934)	(39,934)
At 30 June 2011	<u>340,000</u>	<u>312,618</u>	<u>34,444</u>	<u>347,062</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	30.6.2011	31.12.2010
Share price (HK\$)	0.820	1.130
Exercise price (HK\$)	1.100	1.100
Expected volatility (expressed as a weighted average volatility used in the modeling under binomial option pricing model)	41.16%	35.61%
Maturity period	1.2 years	1.7 years
Conversion period	1.2 years	1.7 years

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Shares of HK\$0.10 each		
Authorised:		
At 1 January 2011 and 30 June 2011	<u>6,000,000,000</u>	<u>600,000</u>
Issued and fully paid:		
At 1 January 2011 and 30 June 2011	<u>3,541,112,832</u>	<u>354,111</u>

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	
			30.6.2011 HK\$'000	30.6.2010 HK\$'000
RGAP	Interest income on loan receivable	a	146,489	171,841
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	1,569	1,689

Notes:

- (a) RGAP and Shanghai Rockefeller are associates of the Group.
- (b) Ms. Cheung Loi Ping is the spouse of Mr. Ou Yaping, the Chairman (an executive director) and a substantial shareholder of the Company who has the ability to exercise significant influence over the operations of the Company.
- (c) Enerchina is a related party to the Group as Mr. Ou Yaping is also the Chairman (an executive director) and a substantial shareholder of Enerchina who has the ability to exercise influence over the operations of Enerchina.

During the period, the emoluments of key management personnel were HK\$8,742,000 (six months ended 30 June 2010: HK\$10,443,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. CONTINGENT LIABILITIES

	30.6.2011 <i>HK\$'000</i>	31.12.2010 <i>HK\$'000</i>
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	81,818	88,081

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts at initial recognition were not significant as at 30 June 2011 and 31 December 2010 and it is not probable that the counter parties would default on the relevant loans.

18. COMMITMENTS

	30.6.2011 <i>HK\$'000</i>	31.12.2010 <i>HK\$'000</i>
Capital commitments in respect of properties under constructions:		
- contracted for but not provided in the condensed consolidated financial statements	502,638	442,411
- authorised but not contracted for	65,918	67,398
Commitments in respect of stock of properties under development:		
- contracted for but not provided in the condensed consolidated financial statements	83,107	58,754
- authorised but not contracted for	356,018	375,890
Committed funding to an investment fund	—	77,500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. PLEDGE OF ASSETS

At 30 June 2011, bank deposits of HK\$543,000 (31.12.2010: HK\$1,633,000) and investment properties with an aggregate carrying amount of HK\$468,750,000 (31.12.2010: HK\$403,055,000) were pledged to banks to secure general banking facilities granted to the Group.

20. EVENTS AFTER THE END OF INTERIM PERIOD

In August 2011, the Group entered into the redemption agreements with certain bondholders of the Group's convertible bonds, pursuant to which the Group agreed to redeem convertible bonds with an aggregate principal amount of HK\$315,000,000 at a consideration of HK\$315,000,000. The carrying amount of the liability component and derivatives amounted to HK\$289,600,000 and HK\$31,900,000, respectively as at 30 June 2011. After the completion of the aforementioned redemption, the outstanding principal amount of the convertible bonds reduced to HK\$25,000,000.