百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2017 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2017

- Turnover up 9% to HK$181.1 million
- Gross Profit up 23% to HK$93.5 million
- Profit attributable to owners of the Company up 32% to HK$14.3 million
- Basic Earnings Per Share up 29% to HK0.4 cents

The board of directors (the "Board") of Sinolink Worldwide Holdings Limited (the "Company") announced the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2017.

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	NOTES	Six months ended 30.6.2017 HK$'000 (unaudited)	30.6.2016 HK$'000 (unaudited)
Turnover	3	**181,091**	165,719
Cost of sales		**(87,593)**	(89,476)
Gross profit		**93,498**	76,243
Other income	4	**53,810**	71,799
Selling expenses		**(1,026)**	(942)
Administrative expenses		**(99,999)**	(57,401)
Increase in fair value of investment properties	11	**4,535**	78,385
Fair value gain (loss) on financial assets at fair value through profit or loss and derivative financial instruments		**19,530**	(51,971)
Share of results of associates		**(17,499)**	(39,239)
Finance costs	5	**(1,913)**	(2,807)
Profit before taxation		**50,936**	74,067
Taxation	6	**(25,089)**	(39,919)
Profit for the period	7	**25,847**	34,148
Attributable to:			
Owners of the Company		**14,302**	10,854
Non-controlling interests		**11,545**	23,294
		25,847	34,148
		HK cents	*HK cents*
Earnings per share	9		
Basic		**0.40**	0.31
Diluted		**0.40**	0.31

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**25,847**	34,148
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	**197,172**	(126,740)
Share of translation reserve of associates	**1,497**	18,561
Other comprehensive income (expense) for the period	**198,669**	(108,179)
Total comprehensive income (expense) for the period	**224,516**	(74,031)
Total comprehensive income (expense) attributable to:		
Owners of the Company	**184,969**	(79,546)
Non-controlling interests	**39,547**	5,515
	224,516	(74,031)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	NOTES	**30.6.2017** *HK$'000* **(unaudited)**	31.12.2016 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment	*10*	**267,173**	306,161
Prepaid lease payments		**60,808**	59,574
Investment properties	*11*	**2,551,572**	2,470,127
Amounts due from associates		**161,657**	154,706
Interests in associates		**–**	–
Available-for-sale investments		**167,577**	155,978
Other receivables		**158,399**	158,399
Loan receivables	*12*	**50,000**	50,000
Loan receivable from associates	*13*	**1,222,188**	1,238,390
Receivables from financing business	*15*	**28,091**	–
Non-current bank deposit		**61,062**	59,220
		4,728,527	4,652,555
Current assets			
Stock of properties	*14*	**856,939**	820,682
Receivables from financing business	*15*	**390,750**	26,336
Trade and other receivables, deposits and prepayments	*15*	**37,483**	31,629
Loan receivables	*12*	**115,207**	–
Derivative financial instruments		**3,880**	3,138
Financial assets at fair value through profit or loss		**407,818**	420,788
Prepaid lease payments		**1,238**	1,201
Short-term bank deposits		**784,021**	531,256
Structured deposits		**817,971**	1,078,212
Pledged bank deposits		**605**	586
Cash and cash equivalents		**1,274,103**	1,385,627
		4,690,015	4,299,455
Current liabilities			
Trade and other payables, deposits received and accrued charges	*16*	**575,670**	515,940
Derivative financial instruments		**4,948**	9,256
Taxation payable		**693,244**	673,639
Borrowings – due within one year		**201,671**	33,575
		1,475,533	1,232,410
Net current assets		**3,214,482**	3,067,045
Total assets less current liabilities		**7,943,009**	7,719,600
Non-current liabilities			
Borrowings – due after one year		**41,187**	56,732
Deferred taxation		**367,483**	353,045
		408,670	409,777
Net assets		**7,534,339**	7,309,823
Capital and reserves			
Share capital		**354,111**	354,111
Reserves		**6,131,509**	5,946,540
Equity attributable to owners of the Company		**6,485,620**	6,300,651
Non-controlling interests		**1,048,719**	1,009,172
Total Equity		**7,534,339**	7,309,823

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 management, property investment and asset financing.

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016 except as stated below.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the accounting period beginning on or after 1 January 2017.

The application of the amendments to 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.

3. TURNOVER AND SEGMENT INFORMATION

The Group's executive directors are the chief operating decision makers ("CODM") as they collectively make strategic decisions towards the Group's operations and the Group reports to them for performance assessment and resource allocation.

During the six months ended 30 June 2017, the Group has expanded its business in the provision of financing services in the PRC. The Group also intends to develop the business of the provision of finance lease services in the PRC. Thus, the executive directors of the Company consider that these financial service related businesses as a new reportable and operating segment namely "Asset financing".

The following is an analysis of the Group's turnover and results by reportable and operating segments:

Segment information

Six months ended 30 June 2017 (unaudited)

	Property development *HK$'000*	**Property investment** *HK$'000*	**Property management** *HK$'000*	**Asset Financing** *HK$'000*	**Total for reportable segments** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER							
External sales	**–**	**85,523**	**57,538**	**11,210**	**154,271**	**26,820**	**181,091**
RESULT							
Segment result	**(1,255)**	**74,430**	**5,685**	**(1,337)**	**77,523**	**(24,081)**	**53,442**
Other income							**53,810**
Unallocated corporate expenses							**(56,434)**
Fair value gain on financial assets at fair value through profit or loss and derivative financial instruments							**19,530**
Share of results of associates							**(17,499)**
Finance costs							**(1,913)**
Profit before taxation							**50,936**

Six months ended 30 June 2016 (unaudited)

	Property development *HK$'000*	Property investment *HK$'000*	Property management *HK$'000*	Total for reportable segments *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
TURNOVER						
External sales	–	78,651	62,358	141,009	24,710	165,719
RESULT						
Segment result	(1,088)	145,986	12,727	157,625	(28,122)	129,503
Other income						71,799
Unallocated corporate expenses						(33,218)
Fair value loss on financial assets at fair value through profit or loss and derivative financial instruments						(51,971)
Share of results of associates						(39,239)
Finance costs						(2,807)
Profit before taxation						74,067

Segment result represents the profit earned/loss incurred by each segment without allocation of other income, unallocated corporate expenses, share of results of associates, fair value gain/loss on financial assets at fair value through profit or loss/derivative financial instruments and finance costs. This is the measure reported to the executive directors, the Group's chief operating decision maker, for performance assessment and resource allocation.

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

4. OTHER INCOME

Other income comprises:

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends from listed securities	**372**	2,527
Net exchange gain	**5,566**	21,779
Interest income on bank deposits	**35,631**	44,022
Interest income on listed senior notes classified as investments held for trading	**8,107**	2,425
Others	**4,134**	1,046
	53,810	71,799

5. FINANCE COSTS

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**1,913**	2,807

6. TAXATION

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	**21,688**	17,948
Deferred taxation	**3,401**	21,971
	25,089	39,919

No provision for Hong Kong Profits Tax had been made in the condensed consolidated financial statements as the amount involved was insignificant for both periods.

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% (six months ended 30 June 2016: 25%) of their assessable profits for the six months ended 30 June 2017 according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

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.

Deferred taxation charge for the period represents deferred tax arising from revaluation of investment properties and undistributed profits of subsidiaries. Deferred taxation on undistributed profits of subsidiaries has been recognised taking into account the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the relevant tax rules and regulations of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders.

7. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**39,719**	38,220
Release of prepaid lease payments	**609**	638
Exchange loss	**36,500**	–
Fair value (gain) loss on financial assets at fair value through profit or loss	**(891)**	56,164
Fair value (gain) on derivative financial instruments	**(18,639)**	(4,193)
Share-based payments	**–**	15,260

8. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period (six months ended 30 June 2016: nil). The directors resolved that no dividend will be paid in respect of the interim period (six months ended 30 June 2016: nil).

9. EARNINGS PER SHARE

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

	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**14,302**	10,854

	Number of shares	
	30.6.2017	30.6.2016
Number of ordinary shares for the purpose of basic and diluted earnings per share	**3,541,112,832**	3,541,112,832

The computation of diluted earnings per share for both periods has not assumed the exercise of the Company's share options as the exercise price was higher than the average market price of the Company's share during the periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately HK$886,000 (six months ended 30 June 2016: HK$2,142,000).

11. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2017 (audited)	2,470,127
Exchange realignment	76,910
Increase in fair value of investment properties	4,535
At 30 June 2017 (unaudited)	2,551,572
Unrealised gain on property revaluation included in profit or loss	4,535
At 1 January 2016 (audited)	2,528,361
Exchange realignment	(51,464)
Increase in fair value of investment properties	78,385
At 30 June 2016 (unaudited)	2,555,282
Unrealised gain on property revaluation included in profit or loss	78,385

The fair values of the investment properties as at 30 June 2017 and 31 December 2016 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Cushman & Wakefield Limited, independent qualified professional valuers not connected with the Group, and are the members of the Hong Kong Institute of Surveyors.

The fair value of investment properties was determined by making reference to comparable sales evidence as available in the relevant market, or where appropriate by the investment method by capitalizing the net income derived from the existing tenancies with allowance for the reversionary income potential of the properties.

There has been no change from the valuation technique used in the prior year.

12. LOAN RECEIVABLES

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Fixed-rate loan receivables analysed as		
Current *(Note a)*	**115,207**	–
Non-current *(Note b)*	**50,000**	50,000
	165,207	50,000

Notes:

a. The outstanding loan receivable is due from an independent third party, secured, carries an interest rate of 13.00% per annum and repayable in July 2017. Subsequent to 30 June 2017, a supplemental agreement was entered by the subsidiary with an independent third party in which the maturity date is extended to August 2017 and the interest rate increased to 19.5% per annum.

b. The outstanding loan receivable is due from an independent third party, unsecured, carries an interest rate of 6.0% per annum and repayable in December 2018.

13. LOAN RECEIVABLE FROM ASSOCIATES

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Shareholder's loan receivable, with principal amount and interest receivable in aggregate of USD572,384,000 (31 December 2016: USD552,949,000) less cumulative impairment loss of HK$2,541,878,000 (31 December 2016: HK$2,391,258,000) recognised	**1,893,895**	1,894,095
Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment	**(671,707)**	(655,705)
	1,222,188	1,238,390

The amount represents a shareholder's loan receivable from Rockefeller Group Asia Pacific, Inc. ("RGAP") for financing a property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. As the loan receivable is considered as a net investment, the Group has recognised its share of loss of RGAP in excess of the cost of investment against the loan receivable. 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 estimated timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

The directors of the Company assessed the recoverable amount of the loan receivable (including the interest receivable from the loan receivable) taking into consideration the estimated future cash flows and timing of such cash flows discounted at its original effective interest rate.

During the six months ended 30 June 2017, after netting off with the interest income recognised by the Group of HK$150,620,000 (six months ended 30 June 2016: HK$151,453,000), no further impairment loss (six months ended 30 June 2016: HK$nil) is recognised in the condensed consolidated profit or loss.

The directors of the Company have reviewed the carrying amount of loan receivable of HK$1,222,188,000 (31 December 2016: HK$1,238,390,000) net of accumulated impairment loss of HK$2,541,878,000 (31 December 2016: HK$2,391,258,000) and net of share of loss and other comprehensive expenses of associate allocated in excess of cost of investment of HK$671,707,000 (31 December 2016: HK$655,705,000) and amounts due from associates of HK$161,657,000 (31 December 2016: HK$154,706,000), and considered that these amounts are fully recoverable.

14. STOCK OF PROPERTIES

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Properties under development	**856,939**	820,682

As at 30 June 2017, properties under development of HK$856,939,000 (31 December 2016: HK$820,682,000) represent the carrying amount of the properties expected to be completed within one year from the end of the reporting period.

15. RECEIVABLES FROM FINANCING BUSINESS/TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**3,321**	1,492
Interest receivables	**17,300**	9,848
Other receivables, deposits and prepayments	**16,862**	20,289
	37,483	31,629
Receivables from financing business *(Note)*		
– Non-current	**28,091**	–
– Current	**390,750**	26,336
	418,841	26,336

Note:

The Group's receivables from financing business represented financing services provided in the ordinary course of business of the Group to the independent third parties.

The receivables from financing business bear effective interest rate range from 6% to 11.5% per annum. During the six months ended 30 June 2017, interest income of HK$11,210,000 (six months ended 30 June 2016: nil) in total was recognised in profit or loss in respect of these receivables from financing business. The receivables from financing business as at 30 June 2017 and 31 December 2016 are neither past due nor impaired.

The following is an aged analysis of receivables from financing business presented based on the due dates at the end of reporting period:

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Aged:		
Within 1 year	**390,750**	26,336
1-2 years	**18,399**	–
2-5 years	**9,692**	–
	418,841	26,336

The Group allows an average credit period ranging from 0 to 60 days to its customers. The following is an aged analysis of trade receivables presented based on the invoice dates at the end of reporting period, which is approximated respective recognition dates:

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Aged:		
0 to 60 days	**2,875**	1,318
61 to 180 days	**397**	154
Over 180 days	**49**	20
	3,321	1,492

16. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**85,443**	45,001
Other payables for construction work	**194,811**	245,451
Deposits and receipts in advance for rental and management fee	**138,515**	115,384
Payroll payables	**13,756**	17,538
Other tax payables	**20,770**	21,157
Salaries payables and staff welfare payables	**34,440**	33,441
Consideration payables for the purchase of financial assets at fair value through profit or loss	**42,625**	–
Other payables and accrued charges	**45,310**	37,968
	575,670	515,940

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Aged:		
0 to 90 days	**13,816**	10,412
91 to 180 days	**33,058**	3,409
181 to 360 days	**7,708**	2,404
Over 360 days	**30,861**	28,776
	85,443	45,001

MANAGEMENT DISCUSSION AND ANALYSIS

The PRC maintained stable macroeconomic development with stronger-than-expected growth in the first half of 2017. The PRC's gross domestic product (GDP) expanded 6.9% year-over-year to RMB38,149.0 billion. On a quarterly basis, China achieved a year-over-year growth of 6.9% in the second quarter, beating the consensus of 6.8%, and in line with the growth in the first quarter. The country has managed to keep its GDP growth within the range of 6.7%-6.9% for eight consecutive quarters.

Overall industrial production in China remained stable in the first half of 2017, while CPI saw a moderate growth and PPI peaked and became stabilized in the short term. On sector basis, manufacturing, information transmission, software and I.T. services, as well as wholesale and retail sectors were the key growth contributors, which rose 0.9ppt, 1.1ppts and 1.2ppts year-over-year to 30.7%, 10.3% and 10.2%, respectively. The robust growth in investment was supported by a rebound in demand and the waning of reflationary effect, and the downside pressure on the economy was manageable in the short run.

Looking at the real estate sector as a whole, the regulatory policies have proved effective and property investment slipped back. In the first half of the year, investment in property development in China saw a growth of 8.5% over the same period last year, but was 0.3ppts down comparing with the first five months, showing a decline in growth for three consecutive months. In June, it reached a 7.9% month-over-month increase, which was 0.6ppts up from May, and 0.7ppts higher than the same period last year.

According to the sales statistics, in the first half of the year, the floor space of commercial housing sold and the total sales amount went up 16.1% and 21.5%, respectively, as compared with the corresponding period last year, and represented an increase of 1.8ppts and 2.9 ppts from the first five months, marking the first rebound during the year. In June, the floor space of commercial housing sold surged 21.4% as compared with the same period last year with a strong rebound of 11.2ppts from 10.2% in May. Despite the higher-than-expected growth of sales in June, the volatility in a single month was insufficient to alter the general trend. On the whole, the sales growth is still likely to move downwards.

As the real estate regulation policies continued to raise more concern, the sales of property gradually cooled down, especially in first-tier and prominent second-tier cities where we have seen an obvious fall in the floor space sold. On a structural basis, the sales of property in first- and second-tier cities during the first five months fell sharply, recording a year-over-year decrease of 38% and 23%, respectively. Yet the figures moved up slightly in third- and fourth-tier cities, showing an increase of 3.41% during the first five months as compared with the same period last year. Currently, the sales of property in first- and second-tier cities stay lackluster while the trend in third- and fourth-tier cities remains positive.

From a policy perspective, priority has been given to curbing property froth rather than reducing inventory. The regulatory measures would tighten further to stop property prices from going up while the sales of property continue to slow down and thus affecting the future property prices. It is expected that in the next stage, investment in property is set to fall amid high volatility given the clear regulatory positioning of "houses are built to be inhabited, not for speculation" and the growing concern over the industry prospects and the expected efficacy of the sustainable mechanism.

For the six months ended 30 June 2017, the Group's turnover increased by 9% year-over-year to HK$181.1 million. Gross profit amounted to HK$93.5 million, a year-over-year increase of 23%. Profit attributable to owners of the Company amounted to HK$14.3 million, representing an increase of 32% as compared with the same period last year. Basic earnings per share was HK0.4 cents, up 29% year-over-year.

PROPERTY RENTAL

For the six months ended 30 June 2017, total rental income amounted to HK$85.5 million, representing a year-over-year increase of 9%.

The rental income was mainly contributed by the commercial property portfolio, comprising *The Vi City*, Sinolink Garden Phase One to Four and *Sinolink Tower*.

Sinolink Tower

Located in Luohu District, Shenzhen, *Sinolink Tower*, composed of the hotel and office complex of Sinolink Garden Phase Five, has a total gross floor area ("GFA") of approximately 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As at 30 June 2017, the occupancy rate of the office portion of *Sinolink Tower* was 85%. Tenants are mainly engaged in jewelry, investment and real estate business. *O Hotel*, the Group's first hotel that is dedicated to delivering a customized experience, has 188 rooms and suites, a stylish restaurant, a specialty coffee shop, a premium fitness club and other facilities. Our principle is to develop niche projects based on a differentiated operating model, focusing on quality but not quantity.

Confronted by the economic slowdown in the PRC, *O Hotel* being a newly-opened brand boutique operation may see its average rent and occupancy rate under pressure. We acknowledge that a strong hotel brand takes time to build. Nevertheless, we are confident that holding a good quality asset for the long term will maximize its value. We will wait patiently for the investment return comprising a higher value of the asset and an increase in operating profit generated therein.

PROPERTIES UNDER DEVELOPMENT

As at 30 June 2017, the following properties of the Group were under development:

1. *Rockbund*

Located on the Bund in Shanghai, *Rockbund* is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. The project, comprising preserved heritage buildings and some new structures, has a total site area of 18,000 square meters with a GFA of 94,080 square meters. The Group intends to redevelop the historical site and structures into an upscale mixed-use neighborhood with residential, commercial, retail, food and beverages, offices and cultural facilities. The preserved heritage buildings have commenced operation with a portion already leased out. The foundation works of the new buildings have been completed with the construction works of the main building well under way. The entire project is expected to commence operation upon completion of the construction in 2018.

2. *Ningguo Mansions*

Located in Changning District, Shanghai, *Ningguo Mansions* is a residential project under construction. The project, with a total site area of 13,599.6 square meters and a plot ratio of 1.0, will be developed into 11 court houses boasting a fusion of Chinese and Western cultures, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is in charge of the construction and interior design of the project. Situated in one of the most accessible, low-density and tranquil luxury neighborhood in Shanghai, *Ningguo Mansions* is approximately a 10-minute and a 30-minute ride away from the airport and the downtown respectively.

The project is currently undergoing deluxe decoration for the garden area, façade renovation and other facility installation works. The appropriate operational arrangements will be made in the light of the actual situation given the uncertainties for the property market.

MAJOR ASSOCIATE

For the six months ended 30 June 2017, the Group recorded a share of loss of a major associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), at an amount of HK$17.5 million in respect of the *Rockbund* project, representing a year-over-year decrease of 55%, which was mainly due to the change in fair value of the investment properties held by the associate.

LOAN RECEIVABLE FROM ASSOCIATES

This is an investment in RGAP in the name of shareholder's loan used for financing the *Rockbund* project, constituting part of the total investment of the Group in RGAP. As the loan receivable is in fact an investment, the Group has recognized its share of loss of RGAP in excess of the cost of investment against the loan receivable. This amount is carried at amortized cost based on the estimated future cash flows expected to be received by the Group as well as the estimated timing of such returns. The investment is unsecured and has no fixed term of repayment. The directors consider that the investment is a long-term investment, which should be classified as non-current assets accordingly.

The directors of the Company reassessed the recoverable amount of such investment after taking into consideration the estimated future cash flows and timing of such cash flows discounted at its original effective interest rate. During the six months ended 30 June 2017, after netting off with the interest income recognised by the Group of HK$150,620,000 (six months ended 30 June 2016: HK$151,453,000), no further impairment loss (six months ended 30 June 2016: Nil) is recognised in the condensed consolidated profit or loss.

The directors of the Company have reviewed the carrying amount of loan receivable of HK$1,222,188,000 (31 December 2016: HK$1,238,390,000) net of accumulated impairment loss of HK$2,541,878,000 (31 December 2016: HK$2,391,258,000) and net of share of loss and other comprehensive expenses of associate allocated in excess of cost of investment of HK$671,707,000 (31 December 2016: HK$655,705,000) and amounts due from associates of HK$161,657,000 (31 December 2016: HK$154,706,000), and considered that these amounts are fully recoverable.

ASSET FINANCING

眾聯融資租賃(上海)有限公司 (Zhong Lian Financial Leasing (Shanghai) Co., Ltd.*), 眾安國際融資租賃(天津)有限公司 (Zhong An International Financial Leasing Co., Ltd.*) and 眾安國際商業保理(天津)有限公司 (Zhong An International Commercial Factoring Co., Ltd.*), the wholly-owned subsidiaries newly established by the Group in the PRC at the end of 2016 principally engaged in asset financing business by providing various customers with finance leasing and business factoring services, have gradually commenced operation during the period.

For the six months ended 30 June 2017, the income from financing business was HK$11.2 million (six months ended 30 June 2016: Nil), and receivables from financing business amounted to HK$418.8 million (31 December 2016: HK$26.3 million) with effective interest rate ranging from 6.0% to 11.5% per annum. As at 30 June 2017, there were no overdue financing assets. The Group expects that finance leasing business will be developed gradually in the second half of the year.

* *For identification purpose only*

Due to the lack of credit reference systems and the failure of providing standard collaterals by SME borrowers, domestic SMEs face long-term difficulties in obtaining financing from banks. In addition, the tightening of domestic monetary policies has resulted in further credit crunching, continuously limiting the financing channels available to SMEs and increasing their financing costs. Compared with business factoring companies, banks tend to carry out business with large-scale companies and adopt more prudent credit policies, and the approval process generally requires a longer time. This makes it difficult for SMEs to obtain financing in a timely manner for operation or business expansion, and so they will consider other financing channels, such as business factoring, which creates business opportunities for business factoring companies.

To further enrich our financial services portfolio and boost the synergy, we also plan for the establishment of company in the form of joint ventures for offering small loans.

AVAILABLE-FOR-SALE INVESMENTS

As at 30 June 2017, the available-for-sale investments amounted to HK$167.5 million (31 December 2016: HK$155.9 million) mainly represented the unlisted equity investments, which measured at cost less impairment at the end of the reporting period. Included in the balance, the Group owns approximately 6.529% of the share capital of an entity established in PRC, at a carrying amount of HK$93.3 million (31 December 2016: HK$90.5 million), of which the entity has made the application of listing on the Main Board of The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2017. In view of the range of reasonable fair value estimates is so significant, the directors of the Company are of the opinion that the fair value cannot be measured reliably.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management. For the six months ended 30 June 2017, the Group recorded a turnover of HK$84.4 million from other businesses, a year-over-year decrease of 3%.

PROSPECTS

Looking into the second half of 2017, developed economies such as Europe and the U.S. will continue to recover, though at a slow pace, while the PRC is still suffering from the short-term pain caused by the economic transformation, and the downward pressure on the economy will be stronger than that in the first half of the year. Among the top economies in the world, the U.S. is expected to enter into a new phase of "raising interest rates and shrinking balance sheet" by the Fed as it accelerates the process of policy tightening on the backdrop of a steady economy. With the general elections in the UK and France settled and political turmoil subsided, the overall political risks in the Eurozone will be lower in the second half of the year. As the economic recovery continues, the European Central Bank may adjust its monetary policy by gradually tapering off the stimulus program. In the PRC, following the introduction of a series of regulation policies on the property market, and the gradual implementation of deleveraging policies by the financial authorities, combined with the transformation of the consumption and export sectors which is still underway, the downward pressure faced by the Chinese economy may not be completely eliminated in the short run and is expected to linger for a period of time.

As for the real estate sector, as the current broad sense inventory remains high, the trends of inventory reduction and deleveraging will continue. The demand for housing is decreasing as the PRC has already passed its labor force peak. In addition, the government is shifting the focus of its regulation policies on the property market from the demand side to the investment side, resulting in a continuous decrease in property investment. The above factors are exerting pressure on the real estate sector as a whole, which will intensify the downward pressure on the overall PRC economy.

In general, the PRC economy will face an inventory and real estate down cycle in the second half of the year. However, with a close balance between demand and supply and a rebound of the world economy, external demand will further improve in the second half of the year, and economic growth is expected to maintain at 6.8% in 2017.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and solid interest coverage ratio. The Group's total borrowings increased from HK$90.3 million as at 31 December 2016 to HK$242.9 million as at 30 June 2017. Gearing ratio as at 30 June 2017, calculated on the basis of total borrowings over shareholders' equity, was 3.7% as compared with 1.4% as at 31 December 2016. The Group is in a net cash position and bank borrowings are mainly loans with floating interest rates.

Total assets pledged for securing the above loans had a carrying value of HK$517.9 million as at 30 June 2017. The borrowings of the Group are denominated in RMB. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments have been used for hedging purposes; however, the Board will continue to evaluate and closely monitor the potential impact of RMB and interest rates movements on the Group.

The Group's cash and bank balances amounted to HK$2,937.8 million (including pledged bank deposits, structured deposits, short-term bank deposits, long-term bank deposits and cash and cash equivalents) as at 30 June 2017, mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 30 June 2017, the Group had capital commitments of HK$42.7 million in respect of properties under development.

CONTINGENT LIABILITIES

As at 30 June 2017, guarantees provided to banks as security for the mortgage loans arranged for the Group's property buyers amounted to HK$20.5 million.

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2017 (2016: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2017, the Group employed approximately 821 full time employees for its principal activities. The Group recognizes the importance of high caliber 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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 2017.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange save as disclosed below.

Pursuant to code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. XIANG Ya Bo was appointed as the Chairman of the Board after the resignation of Mr. TANG Yui Man Francis as the Chairman of the Board on 28 June 2017. Since then, Mr. XIANG Ya Bo has undertaken both the roles of the Chairman of the Board and the Chief Executive Officer of the Group. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. XIANG Ya Bo acting as both the Chairman of the Board and also as the Chief Executive Officer of the Group is acceptable and in the best interest of the Group. The Board will review this situation periodically.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirmed that in respect of the six months ended 30 June 2017, all directors of the Company 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, namely Mr. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2017 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
XIANG Ya Bo
Chairman and Chief Executive Officer

Hong Kong, 22 August 2017

As at the date of this announcement, the Board comprises, Mr. XIANG Ya Bo (Chairman and Chief Executive Officer) and Mr. CHEN Wei as Executive Directors; Mr. OU Yaping, Mr. OU Jin Yi Hugo, Mr. LAW Sze Lai and Mr. TANG Yui Man Francis as Non-executive Directors; and Mr. TIAN Jin, Dr. XIANG Bing and Mr. XIN Luo Lin as Independent Non-executive Directors.