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百仕達控股有限公司\*

SINOLINK WORLDWIDE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1168)

## 2015 ANNUAL RESULTS ANNOUNCEMENT

### FINANCIAL HIGHLIGHTS

*For the year ended 31 December 2015*

- Turnover up 12% to HK\$336.0 million
- Gross Profit down 10% to HK\$144.5 million
- Loss for the year to HK\$391.3 million
- Basic Loss Per Share to HK11.56 cents

The board of directors (the “Board”) of Sinolink Worldwide Holdings Limited (the “Company”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2015.

\* *for identification purpose only*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<i>NOTES</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	3	<b>335,956</b>	301,373
Cost of sales		<u><b>(191,435)</b></u>	<u>(140,508)</u>
Gross profit		<b>144,521</b>	160,865
Other income		<b>231,432</b>	172,875
Selling expenses		<b>(10,006)</b>	(4,827)
Administrative expenses		<b>(151,991)</b>	(102,834)
Other expenses		<b>(7,700)</b>	(4,215)
Increase in fair value of investment properties		<b>42,774</b>	41,667
Fair value (loss) gain on investments held for trading		<b>(104,455)</b>	14,052
Impairment loss on loan receivable		<b>(127,472)</b>	–
Impairment loss on property, plant and equipment		<b>(71,617)</b>	–
Share of results of associates		<b>(276,933)</b>	(139,339)
Finance costs	4	<u><b>(11,571)</b></u>	<u>(16,283)</u>
(Loss) profit before taxation	5	<b>(343,018)</b>	121,961
Taxation	6	<u><b>(48,241)</b></u>	<u>(60,360)</u>
(Loss) profit for the year		<u><b>(391,259)</b></u>	<u>61,601</u>
Attributable to:			
Owners of the Company		<b>(409,456)</b>	27,745
Non-controlling interests		<u><b>18,197</b></u>	<u>33,856</u>
		<u><b>(391,259)</b></u>	<u>61,601</u>
		<i>HK cents</i>	<i>HK cents</i>
(Loss) earnings per share	8		
Basic		<u><b>(11.56)</b></u>	<u>0.78</u>
Diluted		<u><b>(11.56)</b></u>	<u>N/A</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) profit for the year	<u>(391,259)</u>	<u>61,601</u>
<b>Other comprehensive (expense) income</b>		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	(442,150)	(21,614)
Share of translation reserve of associates	<u>44,659</u>	<u>(4,835)</u>
Other comprehensive expense for the year	<u>(397,491)</u>	<u>(26,449)</u>
Total comprehensive (expense) income for the year	<u><u>(788,750)</u></u>	<u><u>35,152</u></u>
Total comprehensive (expense) income attributable to:		
Owners of the Company	(736,426)	4,725
Non-controlling interests	<u>(52,324)</u>	<u>30,427</u>
	<u><u>(788,750)</u></u>	<u><u>35,152</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2015**

	<i>NOTES</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
Non-current assets			
Property, plant and equipment		<b>466,283</b>	604,828
Prepaid lease payments		<b>64,908</b>	70,300
Investment properties		<b>2,528,361</b>	2,633,168
Amounts due from associates		<b>138,871</b>	124,971
Interests in associates		–	–
Available-for-sale investments		<b>155,974</b>	143,575
Other receivables		<b>122,649</b>	96,649
Loan receivable	9	<b>1,603,664</b>	1,963,410
		<b>5,080,710</b>	5,636,901
Current assets			
Stock of properties		<b>851,991</b>	824,172
Trade and other receivables, deposits and prepayments	10	<b>64,759</b>	54,256
Entrusted loans receivable		–	40,600
Prepaid lease payments		<b>1,282</b>	1,362
Investments held for trading		<b>389,655</b>	218,940
Short-term bank deposits		<b>530,465</b>	–
Pledged bank deposits		<b>624</b>	661
Cash and cash equivalent		<b>2,745,617</b>	3,856,012
		<b>4,584,393</b>	4,996,003
Current liabilities			
Trade payables, deposits received and accrued charges	11	<b>543,874</b>	573,293
Taxation payable		<b>698,813</b>	800,952
Borrowings – due within one year		<b>35,859</b>	40,067
		<b>1,278,546</b>	1,414,312
Net current assets		<b>3,305,847</b>	3,581,691
Total assets less current liabilities		<b>8,386,557</b>	9,218,592
Non-current liabilities			
Borrowings – due after one year		<b>96,450</b>	199,442
Deferred taxation		<b>354,736</b>	360,657
		<b>451,186</b>	560,099
		<b>7,935,371</b>	8,658,493
Capital and reserves			
Share capital		<b>354,111</b>	354,111
Reserves		<b>6,533,810</b>	7,204,608
Equity attributable to owners of the Company		<b>6,887,921</b>	7,558,719
Non-controlling interests		<b>1,047,450</b>	1,099,774
		<b>7,935,371</b>	8,658,493

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company and its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements are presented in Hong Kong dollars (“HKD”) while the functional currency of the Company is Renminbi (“RMB”). The reason for selecting HKD as its presentation currency is that the Company is a public company with its shares listed on the Stock Exchange.

The principal activities of the Group are property development, property management and property investment.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments <sup>1</sup>
HKFRS 15	Revenue from contracts with customers <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception <sup>2</sup>
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations <sup>2</sup>
Amendments to HKAS 1	Disclosure initiative <sup>2</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation <sup>2</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants <sup>2</sup>
Amendments to HKAS 27	Equity method in separate financial statements <sup>2</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

## **HKFRS 9 Financial instruments**

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2011 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in September 2014 mainly to include a) impairment requirements for financial assets; b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ measurement category for certain simple debt instruments.

All recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets (e.g. the Group’s unlisted shares in overseas and the People’s Republic of China (the “PRC”) that are currently classified as available-for-sale investments at cost will have to be measured at fair value through profit or loss upon the adoption of HKFRS 9). Regarding the Group’s financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

## **HKFRS 15 Revenue from contracts with customers**

HKFRS 15 was issued in 2014 which establishes a single model to deal with revenue arising from contracts with customers. When HKFRS 15 becomes effective, HKFRS 15 will supersede HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related Interpretations.

HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract(s)
- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract(s)
- Step 5: Recognise revenue when the entity satisfies a performance obligation

With regard to step 5, an entity should recognise revenue when a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Specifically, HKFRS 15 requires entities to recognise revenue over time when certain conditions are met. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company will assess the impact on the application of HKFRS 15. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

### 3. TURNOVER AND SEGMENT INFORMATION

#### (A) Turnover

Turnover primarily represents revenue arising from property management income, rental income and other services income, after deducting discounts, business tax and other sales related taxes. An analysis of the Group’s revenue for the year is as follows:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Property management income	125,389	121,149
Rental income	161,382	143,138
Other service income	<u>49,185</u>	<u>37,086</u>
	<u><u>335,956</u></u>	<u><u>301,373</u></u>

#### (B) Segment information

For management purposes, the Group is currently organised into the following operating divisions - property development and sale of properties (“property development”), property management and property investment. These divisions are the basis on which the Group reports to the executive directors of the Company, the Group’s chief operating decision makers, for performance assessment and resource allocation.

The following is an analysis of the Group's revenue and results by reportable and operating segment.

*For the year ended 31 December 2015*

	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total for reportable segment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>TURNOVER</b>						
External sales	<u>-</u>	<u>125,389</u>	<u>161,382</u>	<u>286,771</u>	<u>49,185</u>	<u>335,956</u>
<b>RESULT</b>						
Segment result	<u>(2,292)</u>	<u>10,276</u>	<u>175,536</u>	<u>183,520</u>	<u>(130,576)</u>	52,944
Other income						231,432
Unallocated corporate expenses						(41,335)
Fair value loss on investments held for trading						(104,455)
Share-based payments						(65,628)
Impairment loss on loan receivable						(127,472)
Share of results of associates						(276,933)
Finance costs						<u>(11,571)</u>
Loss before taxation						<u>(343,018)</u>

*For the year ended 31 December 2014*

	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total for reportable segment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>TURNOVER</b>						
External sales	<u>-</u>	<u>121,149</u>	<u>143,138</u>	<u>264,287</u>	<u>37,086</u>	<u>301,373</u>
<b>RESULT</b>						
Segment result	<u>(2,584)</u>	<u>3,976</u>	<u>133,686</u>	<u>135,078</u>	<u>(5,306)</u>	129,772
Other income						172,875
Unallocated corporate expenses						(39,116)
Fair value gain on investments held for trading						14,052
Share of results of associates						(139,339)
Finance costs						<u>(16,283)</u>
Profit before taxation						<u>121,961</u>

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned/loss incurred by each segment without allocation of other income, central administration costs, share-based payments, impairment loss on loan receivable, directors' salaries, share of results of associates, change in fair value of investments held for trading and finance costs.

No analysis of the Group's assets and liabilities, and other information by reportable segments is disclosed as it is not regularly provided to the executive directors for review.

All the Group's turnover for both years is generated from the PRC (based on where the properties located) and substantially all the Group's non-current assets other than financial instruments (loan and other receivables, amount due from an associate and available-for-sale investments) are also located in the PRC (place of domicile of the group entities that hold such assets). No individual customer of the Group has contributed sales over 10% of the turnover of the Group for each of the year ended 31 December 2015 or 2014.

#### 4. FINANCE COST

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank borrowings	<u>11,571</u>	<u>16,283</u>

#### 5. (LOSS) PROFIT BEFORE TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	74,266	29,054
Release of prepaid lease payments	1,335	1,352
and after crediting:		
Rental income, net of outgoings of HK\$9,548,000 (2014: HK\$10,545,000)	151,834	132,593
Share of taxation of associates	<u>(9,657)</u>	<u>11,756</u>

## 6. TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	32,579	44,075
Underprovisions in PRC Enterprise Income Tax in prior years	–	817
Deferred taxation	<u>15,662</u>	<u>15,468</u>
	<u><u>48,241</u></u>	<u><u>60,360</u></u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the amount involved was insignificant for both years.

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% of their assessable profits for the year ended 31 December 2015 (2014: 25%) 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, Land Appreciation Tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon entering into pre-sales contracts of the properties, followed by final ascertainment of the gain at the completion of the properties development. The Shenzhen local tax bureau was echoed by promulgating Shenfubanhuan [2005] No. 93 and Shendishuifa [2005], whereby among others, LAT should be seriously implemented towards contracts signed on or after 1 November 2005. The management of the Group considers that it has complied with the rules of the aforementioned circulars and other official tax circulars in Shenzhen and LAT for the Group has been accrued accordingly.

## 7. DIVIDENDS

No dividends were paid, declared or proposed during both years.

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: nil).

## 8. (LOSS) EARNINGS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share, being (loss) profit for the year attributable to owners of the Company	<u>(409,456)</u>	<u>27,745</u>
	Number of shares	
	2015	2014
Number of shares for the purpose of basic and diluted (loss) earnings per share	<u>3,541,112,832</u>	<u>3,541,112,832</u>

For the year ended 31 December 2015, the computation of diluted loss per share has not assumed the exercise of the Company's share options as the exercise price was higher than the average market price of shares during the year, and their assumed conversion will have anti-dilutive effect.

No diluted earnings per share for the year ended 31 December 2014 have been presented as there were no potential ordinary shares outstanding during the year.

## 9. LOAN RECEIVABLE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Carrying amount of shareholder's loan receivable	2,124,095	2,251,567
Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment	<u>(520,431)</u>	<u>(288,157)</u>
	<u>1,603,664</u>	<u>1,963,410</u>

The amount represents a shareholder's loan receivable from the Group's associate, 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 was 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 have assessed the recoverability of the carrying amount of the loan receivable of HK\$1,603,664,000 (2014: HK\$1,963,410,000) as at 31 December 2015 and considered that these amounts are fully recoverable.

#### 10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<b>5,282</b>	7,662
Interest receivables	<b>11,247</b>	10,215
Amounts due from investee companies	<b>6,414</b>	6,414
Receivables from disposal of investment held for trading	<b>25,235</b>	–
Other receivables, deposits and prepayments	<b>16,581</b>	29,965
	<b><u>64,759</u></b>	<u>54,256</u>

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 invoice dates at the end of reporting period, which approximated the respective revenue recognition dates.

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Aged:		
0 to 60 days	<b>4,837</b>	7,236
61 to 180 days	<b>362</b>	256
Over 181 days	<b>83</b>	170
	<b><u>5,282</u></b>	<u>7,662</u>

Management closely monitors the credit quality of trade receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade receivables are debtors with aggregate carrying amount of HK\$445,000 (2014: HK\$426,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade debtors which are past due but not impaired:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
61-180 days	<b>362</b>	256
Over 181 days	<b>83</b>	170
	<u><b>445</b></u>	<u>426</u>

The Group has not provided fully for all receivables aged over 60 days based on the historical experience of the Group that receivables are past due but not impaired are generally recoverable.

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	<b>47,717</b>	57,245
Other payables for construction work	<b>268,223</b>	293,092
Deposits and receipts in advance for rental and management fee (note)	<b>109,087</b>	115,106
Payroll payables	<b>18,795</b>	19,724
Other tax payables	<b>19,666</b>	19,905
Salaries payables and staff welfare payables	<b>35,708</b>	37,886
Other payables and accrued charges	<b>44,678</b>	30,335
	<u><b>543,874</b></u>	<u>573,293</u>

Note: Deposit of HK\$20,636,000 (2014: HK\$25,112,000) are expected to be paid after one year from the end of the reporting period.

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Aged:		
0 to 90 days	<b>9,469</b>	6,832
91 to 180 days	<b>7,639</b>	1,977
181 to 360 days	<b>3,248</b>	1,938
Over 360 days	<b>27,361</b>	46,498
	<u><b>47,717</b></u>	<u>57,245</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2015, the Group's turnover amounted to HK\$336.0 million, an increase of 12% compared to last year. Gross profit dropped by 10% to HK\$144.5 million. A loss of HK\$391.3 million was recorded for the year ended 31 December 2015, compared to a profit of HK\$61.60 million for previous year; basic loss per share amounted to HK11.56 cents. The setback is mainly attributable to impairment loss on loan receivable due from the associates; share of loss of the associates; fair value loss on investments held for trading; and impairment loss on property, plant and equipment.

### PROPERTY RENTAL

For the year ended 31 December 2015, total rental income amounted to HK\$161.4 million, an increase of 13% over last year.

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

#### **Sinolink Tower**

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

As at 31 December 2015, occupancy rate of the *Sinolink Tower* office building was 85%. Tenants are mainly engaged in jewelry, investment and real estate business.

*O Hotel*, the Group's first personalized hotel, has 188 rooms and suites, as well as a stylish restaurant, a specialty coffee shop, and premium fitness club facilities. Our principle is to develop niche projects focusing on quality and not quantity with differentiation in operational features.

Confronted by the economic slowdown in the PRC, *O Hotel* being a newly-opened brand boutique operation saw its average rent and occupancy rate under pressure. The Directors estimate that the recoverable amount of *O Hotel* was less than its carrying amount as at 31 December 2015. Accordingly, the carrying amount of *O Hotel* was reduced to its recoverable amount, and an impairment loss of HK\$71.6 million was recognised for the year ended 31 December 2015. Knowing that the cyclical ups and downs of the economy are inevitable – and a strong hotel brand takes time to build – we are nevertheless 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 31 December 2015, the Group has the following properties 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 has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop this 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 leasing in progress. Capital works of the new structures have been finished with structural works being underway. The project is expected to be completed in 2017.

### 2. Ningguo Mansions

Located at Changning District in Shanghai, *Ningguo Mansions* is a residential development under construction. The project, a 13,599.6 square meter site with a plot ratio of 1.0, will be developed into 11 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. Situated in one of the most accessible and low-density luxury living districts in Shanghai, *Ningguo Mansions* is approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

The project is proceeding with deluxe decoration of the garden area, façade renovation and overall facility installation works, which, excluding the renovations made by the buyers, are expected to be completed in the second half of 2016.

## MAJOR ASSOCIATE

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK\$276.9 million for the year ended 31 December 2015, an increase of 99% compared with last year, mainly due to change in the fair value of investment properties held by the associate.

## OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management. For the year ended 31 December 2015, the Group recorded revenue from other businesses of HK\$174.6 million, an increase of 10% compared with last year.

## **PROSPECTS**

Looking ahead, uncertainties such as economic fluctuations around the world, rising interest rates in the United States, and excess capacity and weak investment in the PRC, will affect the Chinese economy in 2016. Notwithstanding this, there are bright spots in the country, namely the continuous optimization of the economic structure and the gaining of quality growth; the readjustment and enhancement in the industrial and manufacturing sectors under which new growth areas are being formed; the fast growth of the service industry which is accounting for a rising share in GDP with greater tax contribution and job creation; and the reducing of excess capacity that will benefit long-term sustainable growth despite its direct impact on the short-term economy. All in all, while there is downward pressure on the PRC economy, the efficacy of the earlier released steady growth policies plus the further efforts recently made are expected to stabilize the PRC's economic growth following some moderation in 2016.

## **FINANCIAL REVIEW**

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings decreased from HK\$239.5 million as at 31 December 2014 to HK\$132.3 million as at 31 December 2015. Gearing ratio as at 31 December 2015, calculated on the basis of total borrowings over shareholders' equity, was 1.9% compared to 3.2% as at 31 December 2014. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing loans had a net carrying value of HK\$519.7 million as at 31 December 2015. 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 purpose; 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 cash equivalents amounted to HK\$3,276.7 million (including pledged bank deposits and short term bank deposits) as at 31 December 2015 and were mostly denominated in RMB, HKD and USD.

## **CAPITAL COMMITMENTS**

As at 31 December 2015, the Group had capital commitments of HK\$65.3 million in respect of properties under development.

## **CONTINGENT LIABILITIES**

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$43.1 million.

## **FINAL DIVIDEND**

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2015, the Group employed approximately 876 full time employees for its principal activities. The Group recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme.

## **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 year ended 31 December 2015.

## **CORPORATE GOVERNANCE**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 year ended 31 December 2015, all Directors have complied with the required standard set out in the Model Code.

## AUDIT COMMITTEE

The Company has an audit committee (the “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. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin. 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 annual results of the Group for the year ended 31 December 2015 had been audited by the Company’s auditor, Deloitte Touche Tohmatsu, and had been reviewed by the Audit Committee.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “AGM”) was scheduled to be held on Thursday, 19 May 2016. The notice of AGM will be published on the Company’s website at [www.sinolinkhk.com](http://www.sinolinkhk.com) and the designated website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

The register of members of the Company will be closed from Tuesday, 17 May 2016 to Thursday, 19 May 2016, both days inclusive, during which period no share transfer will be effected. In order to identify the entitlement for attending the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 16 May 2016.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution during the year and also to give my sincere gratitude to all our shareholders for their continual support all these years.

By Order of the Board  
**Sinolink Worldwide Holdings Limited**  
**TANG Yui Man Francis**  
*Chairman*

Hong Kong, 17 March 2016

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