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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)

2016 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2016

- Turnover down 1% to HK$331.9 million
- Gross Profit up 5% to HK$151.3 million
- Loss attributable to owners of the Company down 40% to HK$245.5 million
- Basic Loss Per Share down 40% to HK6.93 cents

The board of directors (the "Board") of Sinolink Worldwide Holdings Limited (the "Company") announced the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	2016 HK$'000	2015 HK$'000
Turnover	3	**331,867**	335,956
Cost of sales		**(180,617)**	(191,435)
Gross profit		**151,250**	144,521
Other income		**214,480**	231,432
Selling expenses		**(2,748)**	(10,006)
Administrative expenses		**(107,705)**	(151,991)
Other expenses		**(8,987)**	(7,700)
Increase in fair value of investment properties	9	**107,351**	42,774
Fair value loss on financial assets at fair value through profit or loss and derivative financial instruments		**(23,923)**	(104,455)
Impairment loss on loan receivable from associates	10	**(230,000)**	(127,472)
Impairment loss on property, plant and equipment		**(73,152)**	(71,617)
Share of results of associates		**(164,371)**	(276,933)
Finance costs	4	**(5,067)**	(11,571)
Loss before taxation	5	**(142,872)**	(343,018)
Taxation	6	**(72,963)**	(48,241)
Loss for the year		**(215,835)**	(391,259)
Attributable to:			
Owners of the Company		**(245,527)**	(409,456)
Non-controlling interests		**29,692**	18,197
		(215,835)	(391,259)
		HK cents	*HK cents*
Loss per share	8		
Basic		**(6.93)**	(11.56)
Diluted		**(6.93)**	(11.56)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(215,835)**	(391,259)
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	**(455,593)**	(442,150)
Share of translation reserve of associates	**29,097**	44,659
Other comprehensive expense for the year	**(426,496)**	(397,491)
Total comprehensive expense for the year	**(642,331)**	(788,750)
Total comprehensive expense attributable to:		
Owners of the Company	**(604,053)**	(736,426)
Non-controlling interests	**(38,278)**	(52,324)
	(642,331)	(788,750)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	NOTES	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**306,161**	466,283
Prepaid lease payments		**59,574**	64,908
Investment properties	9	**2,470,127**	2,528,361
Amounts due from associates		**154,706**	138,871
Interests in associates		**–**	–
Loan receivable from associates	10	**1,238,390**	1,603,664
Available-for-sale investments		**155,978**	155,974
Other receivables		**158,399**	122,649
Loan receivables		**50,000**	–
Long-term bank deposits		**59,220**	–
		4,652,555	5,080,710
Current assets			
Stock of properties		**820,682**	851,991
Trade and other receivables, deposits and prepayments	11	**31,629**	64,759
Loan receivables		**26,336**	–
Prepaid lease payments		**1,201**	1,282
Financial assets at fair value through profit or loss		**420,788**	389,655
Derivative financial instruments		**3,138**	–
Short-term bank deposits		**531,256**	530,465
Structured deposits		**1,078,212**	–
Pledged bank deposits		**586**	624
Cash and cash equivalents		**1,385,627**	2,745,617
		4,299,455	4,584,393
Current liabilities			
Trade payables, deposits received and accrued charges	12	**515,940**	543,874
Derivative financial instruments		**9,256**	–
Taxation payable		**673,639**	698,813
Borrowings – due within one year		**33,575**	35,859
		1,232,410	1,278,546
Net current assets		**3,067,045**	3,305,847
Total assets less current liabilities		**7,719,600**	8,386,557
Non-current liabilities			
Borrowings – due after one year		**56,732**	96,450
Deferred taxation		**353,045**	354,736
		409,777	451,186
		7,309,823	7,935,371
Capital and reserves			
Share capital		**354,111**	354,111
Reserves		**5,946,540**	6,533,810
Equity attributable to owners of the Company		**6,300,651**	6,887,921
Non-controlling interests		**1,009,172**	1,047,450
		7,309,823	7,935,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL

Sinolink Worldwide Holdings Limited ("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 ("HK$") while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting HK$ 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 AMENDMENTS TO 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 HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 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 amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 7	Disclosure initiative[4]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2017

HKFRS 9 Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

All recognised financial assets that are within the scope of HKFRS 9 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 generally 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.

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's unlisted shares in Hong Kong 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 upon through profit or loss upon the adoption of HKFRS 9. In addition, the expected credit loss model may results in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised assets.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for 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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

The directors of the Company anticipate that the application of the other new and amendments to 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 income, after deducting discounts, business tax and other sales related taxes. An analysis of the Group's revenue for the year is as follows:

	2016	2015
	HK$'000	*HK$'000*
Property management income	**119,732**	125,389
Rental income	**163,295**	161,382
Other income	**48,840**	49,185
	331,867	335,956

(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 2016

	Property development *HK$'000*	**Property management** *HK$'000*	**Property investment** *HK$'000*	**Total for reportable segment** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER						
External sales	**–**	**119,732**	**163,295**	**283,027**	**48,840**	**331,867**
RESULT						
Segment results	**(3,910)**	**16,034**	**242,153**	**254,277**	**(126,122)**	**128,155**
Other income						**214,480**
Unallocated corporate expenses						**(45,363)**
Fair value loss on financial assets at FVTPL and derivative financial instruments						**(23,923)**
Share-based payments						**(16,783)**
Impairment loss on loan receivable from associates						**(230,000)**
Share of results of associates						**(164,371)**
Finance costs						**(5,067)**
Loss before taxation						**(142,872)**

For the year ended 31 December 2015

	Property development *HK$'000*	Property management *HK$'000*	Property investment *HK$'000*	Total for reportable segment *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
TURNOVER						
External sales	–	125,389	161,382	286,771	49,185	335,956
RESULT						
Segment results	(2,292)	10,276	175,536	183,520	(130,576)	52,944
Other income						231,432
Unallocated corporate expenses						(41,335)
Fair value loss on financial assets at FVTPL and derivative financial instruments						(104,455)
Share-based payments						(65,628)
Impairment loss on loan receivable from associates						(127,472)
Share of results of associates						(276,933)
Finance costs						(11,571)
Loss before taxation						(343,018)

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 results represent the profit earned/loss incurred by each segment without allocation of other income, central administration costs, share-based payments, impairment loss on loan receivable from associates, directors' salaries, share of results of associates, change in fair value of financial assets at FVTPL and derivative financial instruments, finance costs and taxation.

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 are 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 2016 or 2015.

4. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank borrowings	**5,067**	11,571

5. LOSS BEFORE TAXATION

	2016	2015
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**75,184**	74,266
Release of prepaid lease payments	**1,254**	1,335
and after crediting:		
Rental income from investment properties, net of outgoings that generate rental income of HK$3,528,000 (2015: HK$9,548,000)	**159,767**	151,834
Share of taxation of associates	**(45,907)**	(9,657)

6. TAXATION

	2016	2015
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	**47,959**	32,579
Underprovisions in PRC Enterprise Income Tax in prior years	**3,176**	–
Deferred taxation	**21,828**	15,662
	72,963	48,241

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 2016 (2015: 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.

Under the EIT Law of the PRC, withholding tax is imposed on the dividend declared to non-PRC tax residents in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. During the year ended 31 December, 2016, withholding tax amounted to HK$9,677,000 was charged by the PRC tax authority which levied on the dividends paid to overseas group entities.

In addition, Land Appreciation Tax (the "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 Shenfubanhan [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 2016 (2015: nil).

8. LOSS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share, being loss for the year attributable to owners of the Company	**(245,527)**	(409,456)

	Number of shares	
	2016	2015
Number of shares for the purpose of basic and diluted loss per share	**3,541,112,832**	3,541,112,832

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for both 2016 and 2015.

9. INVESTMENT PROPERTIES

	Total
	HK$'000
FAIR VALUE	
At 1 January 2015	2,633,168
Exchange realignment	(155,656)
Increase in fair value of investment properties	42,774
Additions	8,075
At 31 December 2015	2,528,361
Exchange realignment	(165,585)
Increase in fair value of investment properties	107,351
At 31 December 2016	2,470,127
Unrealised gain on property revaluation included in profit or loss:	
For the year ended 31 December 2016	107,351
For the year ended 31 December 2015	42,774

The fair values of the completed investment properties at 31 December 2016 and 2015 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.

10. LOAN RECEIVABLE FROM ASSOCIATES

	2016	2015
	HK$'000	*HK$'000*
Shareholder's loan receivable, with the principal amount and interest receivable in aggregate of US$552,949,000 (2015: US$513,757,000) less accumulative impairment loss of HK$2,391,258,000 (2015: HK$1,857,521,000) recognised	**1,894,095**	2,124,095
Less: Share of loss and other comprehensive expenses of associates in excess of cost of investment	**(655,705)**	(520,431)
	1,238,390	1,603,664

The amount represents a shareholder's loan receivable from 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 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 year ended 31 December 2016, after netting off with the interest income recognized by the Group of HK$303,737,000 (2015: HK$303,737,000), impairment loss of HK$230,000,000 (2015: HK$127,472,000) is recognized in the profit or loss accordingly.

The directors of the company have reviewed the carrying amount of the loan receivable of HK$1,238,390,000 (2015: HK$1,603,664,000) and considered that these amounts are fully recoverable.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**1,492**	5,282
Interest receivables	**9,848**	11,247
Amounts due from investee companies	**–**	6,414
Receivables from disposal of investment held for trading	**–**	25,235
Other receivables, deposits and prepayments	**20,289**	16,581
	31,629	64,759

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.

	2016	2015
	HK$'000	*HK$'000*
Aged:		
0 to 60 days	**1,318**	4,837
61 to 180 days	**154**	362
Over 181 days	**20**	83
	1,492	5,282

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$174,000 (2015: HK$445,000) 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:

	2016	2015
	HK$'000	*HK$'000*
61-180 days	**154**	362
Over 181 days	**20**	83
	174	445

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.

12. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**45,001**	47,717
Other payables for construction work	**245,451**	268,223
Deposits and receipts in advance for rental and management fee	**115,384**	109,087
Payroll payables	**17,538**	18,795
Other tax payables	**21,157**	19,666
Salaries payables and staff welfare payables	**33,441**	35,708
Other payables and accrued charges	**37,968**	44,678
	515,940	543,874

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

	2016	2015
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**10,412**	9,469
91 to 180 days	**3,409**	7,639
181 to 360 days	**2,404**	3,248
Over 360 days	**28,776**	27,361
	45,001	47,717

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2016, the Group's turnover decreased by 1% year-over-year to HK$331.9 million. Gross profit increased by 5% to HK$151.3 million. The Group recorded loss attributable to the owners of the Company of HK$245.5 million for the year, representing a decrease of 40% as compared to the same period last year. Basic loss per share amounted to HK6.93 cents, down 40% year-over-year.

PROPERTY RENTAL

For the year ended 31 December 2016, total rental income amounted to HK$163.3 million, a 1% increase as compared to last year.

The rental income was mainly contributed by our commercial property portfolio, which is composed of *The Vi City*, Sinolink Garden Phase One to Four and *Sinolink Tower*.

Sinolink Tower

Located in Luowu 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 31 December 2016, 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. The Directors estimate that the recoverable amount of *O Hotel* was less than its carrying amount as at 31 December 2016. Accordingly, the carrying amount of *O Hotel* was reduced to its recoverable amount, and an impairment loss of HK$73.2 million was recognised for the year ended 31 December 2016. 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 31 December 2016, the Group has the following properties under development:

1. Rockbund

Located at 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. Capital works of the new building structures have been completed with structural works 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, decoration and design of the project. Situated in one of the most accessible, low-density and tranquil luxury neighborhood in Shanghai, Ningguo Mansions is approximately 10-minute and 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 marketing planning for the project in light of the market conditions is underway.

MAJOR ASSOCIATE

For the year ended 31 December 2016, the Group recorded a share of loss of a major associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), of HK$164.4 million in respect of the *Rockbund* project, a year-over-year decrease of 41%, which was mainly due to the change in fair value of the investment properties held by the associate.

LOAN RECEIVABLE FROM ASSOCIATES

The loan receivable is an investment in RGAP by way of a 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. Such amount is carried at the 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 a non-current asset 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 year ended 31 December 2016, impairment loss of HK$230,000,000 (2015: HK$127,472,000) is recognized in the profit or loss accordingly.

The directors of the Company have reviewed the carrying amount of such loan receivable of HK$1,238,390,000 (31 December 2015: HK$1,603,664,000), net of accumulated impairment of HK$2,391,258,000 (31 December 2015: HK$1,857,521,000) and accumulated share of loss and other comprehensive expenses of an associate in excess of the cost of investment of HK$655,705,000 (31 December 2015: HK$520,431,000) and amounts due from associates of HK$154,706,000 (31 December 2015: HK$138,871,000), and considered that these amounts are fully recoverable.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management. For the year ended 31 December 2016, the Group recorded a turnover of HK$168.6 million from other businesses, a year-on-year decrease of 3%.

PROSPECTS

Looking ahead, China will likely see a modestly decelerated economic growth in 2017 amid mounting uncertainty, as external risks, including heightened global geopolitical tension and uncertainty over the path for US policy under Trump administration, could be detrimental to the stability of the country's economy, which could add to the pressure on the Chinese government to adjust its policy stance. It is expected that China will take steps to shift its policy focus to "precautionary measures against risks" and continue to deepen supply-side reform in the second half of the year.

On the other hand, Chinese policymakers look determined to tackle soaring home prices as there is no sign that the government is poised to loosen its stringent regulation on the property market. It is very likely that the prolonged downturn in property sales will spill over into the property investment market in 2017. That being said, inventory in the real estate sector has recently dropped to a lower level, which somewhat limits the downside risk in the property investment market. As such, the risk of a rapid downturn in property investment appears to be well managed, and the economy, though facing downside pressure, is very unlikely to see a painful slowdown in 2017.

From a macro perspective, as the effect of both fiscal and monetary policy on stimulating the economy seems to be on the wane, maintaining stable growth is probably no longer an unyielding priority for the Chinese government, suggesting that policymakers could allow a higher tolerance for lower growth. Although China's GDP growth is expected to settle at around 6.5% this year, the country's economy is set to gain traction in terms of both quality and efficiency, trending upwards with the prospect of stabilizing within a reasonable range.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and solid interest coverage ratio. The Group's total borrowings decreased from HK$132.3 million as at 31 December 2015 to HK$90.3 million as at 31 December 2016. As at 31 December 2016, the gearing ratio, calculated on the basis of total borrowings over shareholders' equity, was 1.4% compared with 1.9% as at 31 December 2015. 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$536.4 million as at 31 December 2016. 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$3,054.9 million (including pledged bank deposits, structured deposits, short-term bank deposits, long-term bank deposits, and cash and cash equivalents) as at 31 December 2016, mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group had capital commitments of HK$44.4 million in respect of properties under development.

CONTINGENT LIABILITIES

As at 31 December 2016, guarantees provided to banks as security for the mortgage loans arranged for the Group's property buyers amounted to HK$20.4 million.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend any payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group employed approximately 790 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 2016.

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 2016, 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, effectiveness of internal controls, audit process and risk management.

The annual results of the Group for the year ended 31 December 2016 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, 18 May 2017. The notice of AGM will be published on the Company's website at www.sinolinkhk.com and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

The register of members of the Company will be closed from Monday, 15 May 2017 to Thursday, 18 May 2017, both days inclusive, during which period no share transfer will be effected. In order to identify the entitlement for attending and voting at 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 12 May 2017.

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, 16 March 2017

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.