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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)

ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2017

- Turnover up 20% to HK$398.3 million
- Gross Profit up 24% to HK$187.9 million
- Profit attributable to owners of the Company amounted to HK$110.1 million
- Basic Earnings Per Share amounted to HK3.11 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 2017.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	2017 HK$'000	2016 HK$'000
Turnover	3	**398,261**	331,867
Cost of sales		**(210,390)**	(180,617)
Gross profit		**187,871**	151,250
Other income	4	**125,092**	103,805
Selling expenses		**(3,199)**	(2,748)
Administrative expenses		**(105,482)**	(107,705)
Other expenses		**(18,244)**	(8,987)
Other gains and losses	5	**(81,735)**	110,675
Increase in fair value of investment properties		**52,486**	107,351
Fair value gain (loss) on financial assets at fair value through profit or loss and derivative financial instruments		**35,042**	(23,923)
Impairment loss on loan receivable from associates		**(122,835)**	(230,000)
Reversal of impairment loss (impairment loss) on property, plant and equipment		**56,558**	(73,152)
Share of results of associates		**95,227**	(164,371)
Finance costs	6	**(8,070)**	(5,067)
Profit (loss) before taxation	7	**212,711**	(142,872)
Taxation	8	**(66,817)**	(72,963)
Profit (loss) for the year		**145,894**	(215,835)
Attributable to:			
Owners of the Company		**110,088**	(245,527)
Non-controlling interests		**35,806**	29,692
		145,894	(215,835)
		HK cents	*HK cents*
Profit (loss) per share	10		
Basic		**3.11**	(6.93)
Diluted		**3.11**	(6.93)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	HK$'000	*HK$'000*
Profit (loss) for the year	**145,894**	(215,835)
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation to presentation currency	**580,558**	(426,496)
Item that may be reclassified subsequently to profit or loss:		
Fair value gain on available-for-sale investments, net of tax	**3,414,642**	–
Other comprehensive income (expense) for the year, net of tax	**3,995,200**	(426,496)
Total comprehensive income (expense) for the year	**4,141,094**	(642,331)
Total comprehensive income (expense) attributable to:		
Owners of the Company	**3,323,397**	(604,053)
Non-controlling interests	**817,697**	(38,278)
	4,141,094	(642,331)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017

	NOTES	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment		**314,444**	306,161
Prepaid lease payments		**62,492**	59,574
Investment properties	*11*	**2,698,723**	2,470,127
Amounts due from associates		**170,744**	154,706
Interests in associates		**177,115**	–
Loan receivable from associates	*13*	**1,207,906**	1,238,390
Available-for-sale investments	*12*	**4,968,197**	155,978
Other receivables		**158,399**	158,399
Loans receivables	*16*	**466,091**	50,000
Long-term bank deposits		**63,400**	59,220
		10,287,511	4,652,555
Current assets			
Stock of properties	*14*	**887,987**	820,682
Trade and other receivables, deposits and prepayments	*15*	**53,594**	31,629
Loans receivables	*16*	**600,560**	26,336
Finance lease receivables	*17*	**111,463**	–
Prepaid lease payments		**1,285**	1,201
Financial assets at fair value through profit or loss ("FVTPL")		**256,720**	420,788
Derivative financial instruments		**–**	3,138
Short-term bank deposits		**382,177**	531,256
Structured deposits		**577,751**	1,078,212
Pledged bank deposits		**629**	586
Cash and cash equivalents		**1,928,596**	1,385,627
		4,800,762	4,299,455
Current liabilities			
Trade payables, deposits received and accrued charges	*18*	**543,982**	515,940
Derivative financial instruments		**–**	9,256
Taxation payable		**736,052**	673,639
Borrowings – due within one year		**752,572**	33,575
		2,032,606	1,232,410
Net current assets		**2,768,156**	3,067,045
Total assets less current liabilities		**13,055,667**	7,719,600

	NOTE	2017 HK$'000	2016 HK$'000
Non-current liabilities			
Borrowings – due after one year		**24,731**	56,732
Deferred taxation	*19*	**1,574,019**	353,045
		1,598,750	409,777
		11,456,917	7,309,823
Capital and reserves			
Share capital		**354,111**	354,111
Reserves		**9,269,937**	5,946,540
Equity attributable to owners of the Company		**9,624,048**	6,300,651
Non-controlling interests		**1,832,869**	1,009,172
		11,456,917	7,309,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 substantial shareholder of the Company is Asia Pacific Promotion Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Ou Yaping, a non-executive director of the Company.

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, property investment and financing services.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

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 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014 – 2016 cycle

Except as described below, 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.

Amendments to Hong Kong Accounting Standards ("HKAS") 7 Disclosure initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure, the application of these amendments has had no impact on the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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]
HKFRS 17	Insurance contracts[4]
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration[1]
HK(IFRIC) – Int 23	Uncertainty over income tax treatments[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 9	Prepayment features with negative compensation[2]
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 28	Long-term interests in associates and joint ventures[2]
Amendments to HKAS 28	As part of the annual improvements to HKFRSs 2014 – 2016 cycle[1]
Amendments to HKAS 40	Transfers of investment property[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2015 – 2017 cycle[2]

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 2021

3. TURNOVER AND SEGMENT INFORMATION

(A) Turnover

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

	2017	2016
	HK$'000	*HK$'000*
Property management income	**118,357**	119,732
Rental income	**181,059**	163,295
Interest income from financing business	**25,010**	–
Service income from finance leasing and loan financing services	**13,555**	–
Others	**60,280**	48,840
	398,261	331,867

(B) Segment information

In prior year, the Group was organised into three operating divisions for management purpose – property development and sale of properties ("property development"), property management and property investment. During the year ended 31 December 2017, the Group has expanded its business in the provision of finance leasing and loan financing 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 as "Financing service". These divisions are the basis on which the Group reports to the executive directors of the Company, the Group's chief operating decision makers ("CODM"), 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 2017

	Property development *HK$'000*	Property management *HK$'000*	Property investment *HK$'000*	Financing services *HK$'000*	Total for reportable segments *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
TURNOVER							
External sales	**–**	**118,357**	**181,059**	**38,565**	**337,981**	**60,280**	**398,261**
RESULT							
Segment results	**(3,442)**	**5,484**	**204,010**	**13,717**	**219,769**	**10,990**	**230,759**
Other income							**125,092**
Unallocated corporate expenses							**(48,311)**
Other gains and losses							**(81,735)**
Fair value gain on financial assets at FVTPL and derivative financial instruments							**35,042**
Impairment loss on loan receivable from associates							**(122,835)**
Impairment loss on available-for-sales investments							**(17,021)**
Share of results of associates							**95,227**
Unallocated finance costs							**(3,507)**
Profit before taxation							**212,711**

For the year ended 31 December 2016

	Property development *HK$'000*	Property management *HK$'000*	Property investment *HK$'000*	Total for reportable segments *HK$'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						103,805
Unallocated corporate expenses						(45,363)
Other gains and losses						110,675
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)

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

No analysis of the Group's assets and liabilities by reportable and operating segments is disclosed as it is not regularly provided to the CODM 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 during each of the year ended 31 December 2017 or 2016.

4. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Dividends from investment held for trading and available-for-sale investments	**1,939**	4,542
Interest income from bank deposits	**86,301**	85,826
Interest income on listed senior notes classified as investment held for trading	**8,911**	8,404
Interest income from financial assets designated at FVTPL	**7,890**	2,167
Interest income from loans receivables *(Note)*	**12,766**	–
Others	**7,285**	2,866
	125,092	103,805

Note: The amount represents the interest income from loans receivables granted on or before year ended 31 December 2016, which is not part of the operating segment of financing services.

5. OTHER GAINS AND LOSSES

	2017	2016
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment, net	**57**	290
Net exchange (loss) gain	**(81,792)**	110,385
	(81,735)	110,675

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on borrowings	**8,070**	5,067

7. PROFIT (LOSS) BEFORE TAXATION

	2017	2016
	HK$'000	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**78,381**	75,184
Release of prepaid lease payments	**1,242**	1,254

8. TAXATION

	2017	2016
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	**49,072**	47,959
Underprovisions in PRC Enterprise Income Tax in prior years	**–**	3,176
Deferred taxation *(note 19)*	**17,745**	21,828
	66,817	72,963

No provision for Hong Kong Profits Tax has been made in the consolidated 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 2017 (2016: 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.

9. 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 2017 (2016: Nil).

10. PROFIT (LOSS) PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Profit (loss) for the purpose of basic and diluted profit (loss) per share (being profit (loss) for the year attributable to owners of the Company)	**110,088**	(245,527)

	Number of shares	
	2017	2016
Number of shares for the purpose of basic and diluted profit (loss) per share	**3,541,112,832**	3,541,112,832

The computation of diluted profit (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 2017 and 2016.

11. INVESTMENT PROPERTIES

	Total
	HK$'000
FAIR VALUE	
At 1 January 2016	2,528,361
Exchange realignment	(165,585)
Increase in fair value of investment properties	107,351
At 31 December 2016	2,470,127
Exchange realignment	176,110
Increase in fair value of investment properties	52,486
At 31 December 2017	2,698,723
Unrealised gain on property revaluation included in profit or loss:	
For the year ended 31 December 2017	52,486
For the year ended 31 December 2016	107,351

The fair values of the completed investment properties at 31 December 2017 and 2016 have been arrived at on the basis of a valuation carried out on those dates by Messrs. Cushman & Wakefield Limited.

12. AVAILABLE-FOR-SALE INVESTMENTS

	2017	2016
	HK$'000	*HK$'000*
Available-for-sale investments comprise:		
Domestic shares of entity listed in Hong Kong, at fair value *(note)*	**4,807,679**	–
Unlisted equity securities in Hong Kong and the PRC, at cost	**118,257**	138,632
Unlisted equity securities in overseas, at cost	**–**	3,835
Unlisted fund investment in overseas, at fair value	**28,750**	–
Club debentures, at fair value	**13,511**	13,511
Total	**4,968,197**	155,978

Note: Investment in ZhongAn Online P&C Insurance Co., Ltd. ("ZhongAn Online") with carrying amount of HK$90,503,000 (included in unlisted equity securities in Hong Kong and the PRC, at cost in above table) are measured at cost less impairment as at 31 December 2016 because the range of estimated reasonable fair value is so significant that the directors of the Company was of the opinion that its fair value cannot be measured reliably. During the year ended 31 December 2017, ZhongAn Online was listed on the Stock Exchange. Thus the investment in this entity is measured at its fair value since the year ended 31 December 2017.

The Group held domestic shares of ZhongAn Online, which the marketability of domestic shares is different comparing with ZhongAn Online H Shares. Also, pursuant to the Company Law of the PRC, the shares of ZhongAn Online issued prior to its listing shall not be transferred within one year from the listing date (i.e. 28 September 2017).

13. LOAN RECEIVABLE FROM ASSOCIATES

	2017	2016
	HK$'000	*HK$'000*
Shareholder's loan receivable	**1,771,260**	1,894,095
Less: Share of loss and other comprehensive expenses of associates in excess of cost of investment	**(563,354)**	(655,705)
	1,207,906	1,238,390

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 of the Company 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.

14. STOCK OF PROPERTIES

	2017	2016
	HK$'000	*HK$'000*
Properties under development	**887,987**	820,682

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017	2016
	HK$'000	*HK$'000*
Trade receivables from property management and property investment services	**2,241**	1,492
Trade receivables from financing services	**11,694**	–
Interest receivables	**9,393**	9,848
Other receivables, deposits and prepayments	**30,266**	20,289
	53,594	31,629

The Group allows an average credit period ranging from 0 to 60 days to its customers of property management and property investment business from the date of invoices issued. The following is an aged analysis of trade receivables from property management and property investment services presented based on invoice dates at the end of reporting period.

	2017	2016
	HK$'000	*HK$'000*
Aged:		
0 to 60 days	**1,960**	1,318
61 to 180 days	**263**	154
Over 181 days	**18**	20
	2,241	1,492

The Group allows a credit period of 30 days to its customers of financing business. The following is an aged analysis of trade receivables from financing services presented based on invoice dates at the end of reporting period.

	2017	2016
	HK$'000	*HK$'000*
Aged:		
0 to 30 days	**11,694**	–

All trade receivables from financing services are neither past due nor impaired.

Management of the Group 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 from property management and property investment are debtors with aggregate carrying amount of HK$281,000 (2016: HK$174,000) 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 from property management and property investment services which are past due but not impaired:

	2017	2016
	HK$'000	*HK$'000*
61-180 days	**263**	154
Over 181 days	**18**	20
	281	174

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

16. LOANS RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Factoring loans receivables with recourse *(note (i))*	**527,395**	–
Purchased loans receivables *(note (ii))*	**357,955**	–
Designated loan receivable through a trust	**119,617**	–
Other loans receivables	**61,684**	76,336
Total	**1,066,651**	76,336

For the purpose of financial report, the loans receivables analysed as follows:

Non-current	**466,091**	50,000
Current	**600,560**	26,336
Total	**1,066,651**	76,336

Notes:

(i) During the year ended 31 December 2017, the Group granted factoring loans receivables to independent third parties, which the independent third parties have a portfolio of the receivables from providing loan to the underlying customers.

As at 31 December 2017, entire factoring loans receivables are neither past due nor impaired.

(ii) During the year ended 31 December 2017, the Group purchased a portfolio of loans receivables from providing loan to the underlying customers with the principal amount of RMB299,250,000 in aggregate (equivalent to HK$357,955,000) from independent third parties without recourse.

17. FINANCE LEASE RECEIVABLES

Certain of the Group's equipment are leased out under finance leases. All leases are denominated in RMB. The term of finance leases entered into is one year.

	Minimum lease payments As at 31 December		Present value of minimum lease payments As at 31 December	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Not later than one year	**117,893**	–	**111,463**	–
Less: Unearned finance income	**(6,430)**	–	**N/A**	–
Present value of lease obligations	**111,463**	–	**111,463**	–

The Group's finance lease receivables are denominated in RMB. The effective interest rates of the finance leases as at 31 December 2017 range from 8.7% to 10.6% per annum.

The finance lease receivables at the end of the reporting period are neither past due nor impaired.

18. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**47,798**	45,001
Other payables for construction work	**205,545**	245,451
Deposits and receipts in advance for rental and management fee	**111,040**	115,384
Deposits received from customers of loans receivables	**33,543**	–
Deposits received from customers of finance lease receivables	**15,431**	–
Other tax payables	**25,097**	21,157
Salaries payable and staff welfare payables	**52,740**	50,979
Other payables and accrued charges	**52,788**	37,968
	543,982	515,940

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

	2017	2016
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**11,926**	10,412
91 to 180 days	**1,783**	3,409
181 to 360 days	**3,582**	2,404
Over 360 days	**30,507**	28,776
	47,798	45,001

19. DEFERRED TAXATION

	Revaluation on investment properties HK$'000	Revaluation of available-for-sales investments HK$'000	Undistributed profits of subsidiaries HK$'000	Total HK$'000
At 1 January 2016	312,836	–	41,900	354,736
Currency realignment	(21,063)	–	(2,456)	(23,519)
Charge (credit) to profit or loss	26,838	–	(5,010)	21,828
At 31 December 2016	318,611	–	34,434	353,045
Currency realignment	22,940	39,484	2,591	65,015
Charge to profit or loss	13,121	–	4,624	17,745
Charge to other comprehensive income	–	1,138,214	–	1,138,214
At 31 December 2017	354,672	1,177,698	41,649	1,574,019

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2017, the Group's turnover increased by 20% year-over-year to HK$398.3 million. Gross profit increased by 24% to HK$187.9 million. The Group recorded profit attributable to the owners of the Company of HK$110.1 million for the year compared with loss of HK$245.5 million in the same period last year. Basic earnings per share amounted to HK3.11 cents for the year compared with loss per share of HK6.93 cents in last year.

PROPERTY RENTAL

For the year ended 31 December 2017, total rental income amounted to HK$181.1 million, representing an increase of 11% as compared to last year.

The rental income was mainly contributed by our commercial property portfolio, composed of 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 31 December 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. There has been a gradual improvement in business conditions during the year.

Since the recoverable amount of the hotel buildings and the related building improvement is less than the carrying amount as at 31 December 2016, an impairment loss of HK$73.2 million is recognised in profit or loss during the year ended 31 December 2016.

As at 31 December 2017, the recoverable amount of the hotel buildings and the related building improvement is higher than the carrying amounts. Thus, a reversal of impairment loss of HK$56.6 million is recognised in profit or loss during the year ended 31 December 2017.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2017, 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 2019.

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. Due to the unstable market conditions, appropriate operational arrangements will be made based on the actual situation.

MAJOR ASSOCIATE – ROCKEFELLER GROUP ASIA PACIFIC, INC.

For the year ended 31 December 2017, the Group recorded a turnaround from share of loss of a major associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), of HK$164.4 million for the year ended 31 December 2016 to share of profit of HK$95.2 million in respect of the Rockbund project, which was mainly due to the change in exchange gain held by RGAP.

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. For the year ended 31 December 2017, impairment loss of HK$122,835,000 (2016: HK$230,000,000) was recognized in the profit or loss accordingly.

The directors of the Company have reviewed the carrying amount of loan receivable of HK$1,207,906,000 (31 December 2016: HK$1,238,390,000) and amounts due from associates of HK$170,744,000 (31 December 2016: HK$154,706,000), and considered that these amounts are fully recoverable.

FINANCING SERVICES

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 financing services, including finance leasing, business factoring services and other financing services, have gradually commenced operation during the year.

For the year ended 31 December 2017, the income from financing services business was HK$38.6 million (31 December 2016: Nil) with effective interest rate ranging from 6.4% to 14.6% per annum. As at 31 December 2017, there were no overdue financing assets. The Group expects that further finance services business will be developed gradually in the coming 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, during the year, the Group contributed RMB90 million for 30% equity interest of Chongqing ZhongAn Loan Co., Ltd., for offering small loans.

AVAILABLE-FOR-SALE INVESTMENTS

As at 31 December 2017, the available-for-sale investments amounted to HK$4,968.2 million (31 December 2016: HK$156.0 million), mainly represented ZhongAn Online P & C Insurance Co., Ltd. ("ZhongAn Online") (stock code: 6060) owned by the Group of HK$4,807.7 million, which was measured at fair value.

Investment in ZhongAn Online are measured at cost less impairment as at 31 December 2016 because the range of estimated reasonable fair value is so significant that the directors of the Company was of the opinion that its fair value cannot be measured reliably. During the year ended 31 December 2017, ZhongAn Online was listed on the Stock Exchange. Thus the investment in this entity is measured at its fair value since the year ended 31 December 2017. Dividend from available-for-sale investments are recognized in profit or loss upon confirmation of the Group's rights to receive dividend. Other changes in the carrying amount of available-for-sale investments are recognized in comprehensive income and accumulated under the investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified into profit or loss.

During the process of fair value estimation on investment in ZhongAn Online, the marketability discount on domestic shares and restriction on trading of shares within one year from the listing date (i.e. 28 September 2017) of ZhongAn Online are taken into consideration.

The key inputs of valuation of ZhongAn Online at fair value included (i) share price of ZhongAn Online as at the end of the reporting period; and (ii) discount for lack of marketability.

Financial technology is transforming the world in which we live. The insurance industry is now abuzz with phrases such as insurtech, big data and digitisation, as companies focus on their digital product offerings. Unsurprisingly, insurers are responding to digitisation by developing their online offerings. Digital channels are enabling insurers to get closer to their customers, while offering them 24/7 access to their finances. At the same time, the industry is using big data and advanced analytics to understand their customers, and anticipate their needs as well as product interests, creating a customized service of market updates and other insurance related news for them. We believe ZhongAn Online, the leading insurtech company providing a range of online insurance products and solutions in the PRC, is facing tailwind to capture the unique opportunity in the current market environment.

OTHER BUSINESSES

Other businesses within the Group include property, facility and project management. For the year ended 31 December 2017, the Group recorded a turnover of HK$178.6 million from other businesses, representing a year-over-year increase of 6%.

JOINT VENTURE – ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED

As stated in the Company's announcement dated 8 December 2017, the Company entered into the Joint Venture Agreement with ZhongAn Information and Technology Services Co., Ltd. ("ZhongAn Technology Services"), a wholly-owned subsidiary of ZhongAn Online, pursuant to which the Company and ZhongAn Technology Services agreed to jointly invest in ZhongAn Technologies International Group Limited ("ZhongAn Technologies") to enable the Company to partner with ZhongAn Technology Services to explore international business development, collaboration and investment opportunities in the areas of fintech and insurtech in overseas market. Pursuant to the Joint Venture Agreement, (a) the Company and ZhongAn Technology Services made a capital contribution in cash in the amount of RMB60 million and RMB50 million, respectively, to ZhongAn Technologies in consideration of its ordinary shares; and (b) the Company has conditionally agreed to make an additional capital contribution of RMB620 million in cash to ZhongAn Technologies in consideration of redeemable preference shares. The Company and ZhongAn Technology Services owns 49% and 51% of the voting interests in ZhongAn Technologies, respectively.

As at 31 December 2017, no redeemable preference shares are subscribed.

PROSPECTS

Looking into 2018, the global economy will continue to prosper, which will continue to benefit China's steady economic growth. In the short term, the tight overall policy environment for domestic macroeconomic operation will bring some downside pressure on economic growth. However, with the accelerated unleash of the benefits of the supply side reform and the new growth drivers, the Chinese economy will remain stable with medium to high growth.

It is estimated that the growth of China's fixed asset investment will slow down slightly in 2018. Among the three types of investment, real estate and infrastructure investments are expected to slow down, while manufacturing investment may accelerate slightly. Consumption growth will continue to be supported by the increase in resident income, the upgrading of the consumption structure and the promotion of urbanization. At the same time, with the cooling down of the real estate market plus limitations on housing leverage, the negative impact of real estate on consumption will be weakened. The basic role of overall consumption in economic growth will be further strengthened. As the global economic growth is expected to continue slightly upward, the momentum of China's export growth will sustain. However, with boosting effect of the external demand rebound on the export sector showing marginal weakening and the rising year-on-year base, we can expect that in 2018, while maintaining its growth, export growth will slow down comparing to that of 2017. Nevertheless, net exports in 2018 will still exert a certain positive pull on China's economic growth.

For the real estate industry, due to the current high general stock of real estate, the destocking and deleveraging trend will continue; and as the working-age population peak has passed, there is a continued decline in demand for housing; coupled with the governmental real estate control policies shifting from the demand side to investment, real estate investment records a continued drop, which will all build up pressure on the overall real estate industry, thereby exacerbating the downside pressure for China's overall economy.

Taking all factors together, strengthening financial supervision will remain the main theme of 2018. In economic development, China will continue to "promote quality development and enhance economic efficiency" as set out at the Central Economic Work Conference and fully implement the "Three Major Tough Fights" with prevention and control of major risks as the top mandate to continue to deepen the supply-side structural reforms. China's GDP growth is expected to slow slightly to about 6.7% in 2018.

FINANCIAL REVIEW

The Group's total borrowings increased from HK$90.3 million as at 31 December 2016 to HK$777.3 million as at 31 December 2017. As at 31 December 2017, the gearing ratio, calculated on the basis of total borrowings over shareholders' equity, was 8.1% compared with 1.4% as at 31 December 2016. The Group's financial position remains strong with net cash position.

Total assets pledged for securing the above loans had a carrying value of HK$543.7 million as at 31 December 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$2,952.6 million (including pledged bank deposits, structured deposits, short-term bank deposits, long-term bank deposits, and cash and cash equivalents) as at 31 December 2017, mostly denominated in RMB, HK$ and USD.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group had capital commitments of HK$50.9 million in respect of properties under development.

CONTINGENT LIABILITIES

As at 31 December 2017, guarantees offered to banks as security for the mortgage loans arranged for the Group's property buyers amounted to HK$20.2 million.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group employed approximately 734 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 2017.

CORPORATE GOVERNANCE

During the year, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") 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") 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 2017, 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 2017 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, 31 May 2018. 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, 28 May 2018 to Thursday, 31 May 2018, 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 25 May 2018.

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
XIANG Ya Bo
Chairman and Chief Executive Officer

Hong Kong, 15 March 2018

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. LAW Sze Lai, Mr. OU Jin Yi Hugo, Mr. OU Yaping 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.