THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **Sinolink Worldwide Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

MAJOR TRANSACTION
ACQUISITION OF SHARES IN
ROCKEFELLER GROUP ASIA PACIFIC, INC.

A letter from the Board is set out on pages 4 to 10 of this circular.

This circular is being despatched to the Shareholders for information only, and written Shareholders' approval has been obtained in lieu of holding a general meeting of the Company pursuant to the Listing Rules.

* *For identification purpose only*

March 24, 2025

CONTENTS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

"Agreement"	the sale and purchase agreement dated December 20, 2024 entered into by and between Sinolink SH and RSI;
"Announcement"	the announcement of the Company dated November 30, 2005 in relation to, among others, the investment in RGAP;
"Board"	the board of Directors of the Company;
"Business Day"	a day, other than a Saturday or Sunday, on which commercial banks in Hong Kong are open for the general transaction of business;
"BVI"	the British Virgin Islands;
"Circular"	the circular of the Company dated December 22, 2005 in relation to, among others, the investment in RGAP;
"Company"	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1168);
"Closing"	the closing of the Transaction on December 20, 2024;
"Consideration"	the consideration payable by Sinolink SH to RSI in respect of the Transaction;
"Director(s)"	director(s) of the Company;
"Enlarged Group"	the Company and its subsidiaries following the Closing;
"Group"	the Company and its subsidiaries from time to time;
"HKFRS"	Hong Kong Financial Reporting Standards;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Investment Agreement"	the agreement dated November 30, 2005, entered into by, among others, RSI, RGAP and Sinolink SH, as more particularly described in the Circular;
"Latest Practicable Date"	March 20, 2025

"Option"	the Option granted to RSI by RGAP to subscribe for up to 245 series C shares in RGAP, as more particularly described in the Circular;
"Parties"	the parties to the Agreement;
"RGAP"	Rockefeller Group Asia Pacific, Inc., an international business company incorporated in the BVI on November 5, 2004, which is held by Sinolink SH and RSI as to 49% and 51%, respectively, as of the date of this circular;
"RGI"	Rockefeller Group International, Inc., a New York corporation incorporated in November 1997;
"RGI Group"	RGI and its subsidiaries from time to time;
"RMB"	Renminbi, the lawful currency of the People's Republic of China;
"RockBund Project"	the development of the Waitanyuan-1 Area in the Huangpu District of the Shanghai Municipality, People's Republic of China;
"RSI"	Rock-Shanghai, Inc., a New York corporation incorporated in August 2004;
"Series A Shares"	510 series A shares in RGAP, representing all series A shares in RGAP currently issued and a 51% interest in RGAP;
"Series B Shares"	490 series B shares in RGAP, representing all series B shares in RGAP currently issued and a 49% interest in RGAP;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) of the Company;
"Shareholder(s)"	holder(s) of the Shares;
"Sinolink SH"	Sinolink Shanghai Investments Limited, an international business company incorporated in the BVI and a direct wholly owned subsidiary of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transaction"	the acquisition by Sinolink SH of all Series A Shares held by RSI under the Agreement; and

"US$"	United States dollars, the lawful currency of the United States.

This circular contains conversion between United States dollars and Hong Kong dollars at the exchange rate of US$1 = HK$7.78. The conversion shall not be taken as a representation that the HK$ amount could actually be converted into US$ (as applicable) at that rate, or at all.

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

Executive Director:
Mr. TANG Yui Man Francis
(*Chairman and Chief Executive Officer*)

Non-executive Directors:
Mr. OU Jin Yi Hugo
Mr. OU Jin Yao Norris

Independent Non-executive Directors:
Ms. CHEN Hui
Mr. TIAN Jin
Mr. XIN Luo Lin

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
28th Floor
Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

March 24, 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
ACQUISITION OF SHARES IN
ROCKEFELLER GROUP ASIA PACIFIC, INC.

INTRODUCTION

References are made to (i) the Announcement and the Circular regarding, among others, the Investment Agreement; and (ii) the Company's announcement dated December 20, 2024 regarding the Agreement and the Transaction.

On December 20, 2024, Sinolink SH entered into the Agreement with RSI. Pursuant to and in accordance with the terms and conditions of the Agreement, RSI agreed to sell and Sinolink SH agreed to purchase, all Series A Shares held by RSI. As of December 20, 2024 (being the date of the Company's announcement regarding the Agreement and the Transaction), RGAP was held as to 51% by RSI, representing 510 Series A Shares, and 49% by Sinolink SH, representing 490 Series B Shares.

Following the Closing, RGAP became an indirect wholly owned subsidiary of the Company. The purpose of this circular is to provide you with, among others, (i) further details regarding the Agreement and the Transaction; (ii) the financial information of the Group; and (iii) the financial information of RGAP.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

December 20, 2024

Parties

(i) Sinolink SH, as purchaser

(ii) RSI, as seller

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, RGI, RSI and their respective ultimate beneficial owners are third parties independent of the Company.

Transaction overview

Pursuant to and in accordance with the terms and conditions of the Agreement, RSI agreed to sell and Sinolink SH agreed to purchase, all Series A Shares held by RSI.

Following the Closing, RGAP became an indirect wholly owned subsidiary of the Company.

Consideration and payment

The Consideration of the Transaction was US$2 million (equivalent to approximately HK$15.56 million).

The Consideration was determined based on arm's length negotiation among the Parties with reference to, inter alia, the initial deemed investment amount of RSI in RGAP, i.e. US$15 million. Considering (i) the Consideration is significantly lower than the initial deemed investment amount of RSI in RGAP; (ii) the net liabilities and net loss recorded by RGAP for the year ended December 31, 2024 are mainly due to the amount due to Sinolink SH and its associated finance costs; and therefore not expected to detrimentally affect the financial position of the Group in any material respect after the Transaction has been completed, (iii) RGAP itself has been recording positive cash generated from operations of HK$91,027,000, HK$134,146,000 and HK$5,357,000 and gross profit of HK$204,289,000, HK$182,584,000 and HK$242,657,000 respectively in the past three financial years; and (iv) the reasons disclosed under the sub-section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" below, the Board considers the Consideration is fair and reasonable and in the interests of the Company and Shareholders as a whole.

The Consideration was paid in cash at Closing and funded by the Group's internal resources.

Conditions Precedent

The Closing was conditional upon the following conditions being fulfilled or waived:

(i) the absence of any claim, suit, action, arbitration, investigation or proceeding by a pertinent governmental authority in respect of the Transaction;

(ii) customary joint warranties given by the Parties remaining true and accurate; and

(iii) approval from a majority of the Shareholders being obtained and in full force.

Closing

The Closing took place on December 20, 2024, being the Business Day on which the conditions precedent set forth in the Agreement were satisfied (or waived, to the extent permitted by the Agreement and law).

At Closing, all Series A Shares were transferred to Sinolink SH, and RGAP became an indirect wholly owned subsidiary of the Company. All directors of RGAP who were appointed by RSI resigned at Closing.

Indemnity

RSI agreed to indemnify Sinolink SH against any loss suffered by Sinolink SH relating to, among others, any failure by RGAP or its subsidiary (as the case may be) to comply with the relevant filing requirements in accordance with applicable laws, rules, regulations and guidelines, capped at an amount equivalent to the Consideration received by RSI under the Agreement. The indemnity shall survive until the first anniversary of the date of Closing.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As disclosed in the Announcement and the Circular, RSI was granted the Option by RGAP to subscribe for certain series C shares in RGAP. Following the expiry of the Option, Sinolink SH has the right to require RSI to transfer such number of Series A Shares in RGAP to Sinolink SH so that RGAP will be consolidated into the Group as a subsidiary. As RSI also expressed its intention to fully exit from its investment in RGAP, the Transaction is the result of the arm's length negotiation among the Parties in respect of the transfer of Series A Shares from RSI to Sinolink SH in light of the aforementioned.

The Board has considered that (i) the Group has historically been responsible for the development and day-to-day management of RGAP and its subsidiaries, (ii) the consolidation of RGAP and its underlying assets does not require further capital expenditure to be incurred by the Group in addition to its capital investment already injected; and (iii) the RockBund Project operated by RGAP and its subsidiaries has been fully completed and has started to generate rental income from the commercial and office portion of it. Hence, the Company expects that the consolidation of RGAP after the Transaction will truly reflect the financial position of the Group with the RockBund Project included.

Accordingly, the Directors believe the Transaction is in the interests of the Group and the Shareholders as a whole and the terms of the Transaction are fair and reasonable for the following reasons:

(i) the Transaction will allow the financial statements of the Group to more accurately reflect the performance of the Group's business as RGAP's development and operations have been primarily driven and funded by the Group though its financial information was not consolidated into the Group's financial statements since its commencement of business;

(ii) RSI will cease to be a shareholder of RGAP following the Transaction and will not be entitled to any distribution made by RGAP; and

(iii) the Transaction will allow the Group to have full control over RGAP in which the Group has invested significant resources and to possess prime commercial and office revenue generating assets.

FINANCIAL EFFECTS OF THE TRANSACTION

As of December 20, 2024 (being the date of the Company's announcement regarding the Agreement and the Transaction), RGAP was held as to 51% by RSI, representing 510 Series A Shares, and 49% by Sinolink SH, representing 490 Series B Shares. Following the Closing on December 20, 2024, RGAP became an indirect wholly-owned subsidiary of the Company and the financial results of RGAP were consolidated into the financial statements of the Group.

Appendix IV to this circular presents the unaudited pro forma financial information of the Enlarged Group and describes the basis of preparation thereof.

(i) Earnings

Assuming that Closing had taken place on 30 June 2024, the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group will change from total comprehensive expense for the period attributable to owners of the Company of approximately HK$367.0 million to total comprehensive income for the period and attributable to owners of the Company of approximately HK$3,882.0 million.

(ii) Assets and liabilities

Assuming that Closing had taken place on 30 June 2024, the unaudited pro forma total assets of the Enlarged Group as at 30 June 2024 will increase from approximately HK$10,486.9 million to approximately HK$18,007.5 million and total liabilities will increase from approximately HK$3,465.7 million to approximately HK$6,737.3 million as indicated in the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group contained in Appendix IV to this circular.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1168). The principal business of the Company focuses on financial technology investment and management, financial service sector, asset financing management, and the Company is also engaged in property development, commercial property investment and management, financial products and securities investment.

Sinolink SH

Sinolink Shanghai Investments Limited is an international business company incorporated in the BVI and a direct wholly owned subsidiary of the Company. Sinolink SH is principally engaged in investment holding.

RSI

Rock-Shanghai, Inc. is a New York corporation incorporated on August 3, 2004 and a wholly owned subsidiary of RGI. RSI was formed to oversee the development, ownership and management activities of the RGI Group in China.

RGAP

Rockefeller Group Asia Pacific, Inc. is an international business company incorporated in the BVI on November 5, 2004 and is held by Sinolink SH and RSI as to 49% and 51%, respectively, as of the date of the Company's announcement regarding the Agreement and the Transaction. RGAP is principally engaged in investment holding. RGAP primarily holds interests in subsidiaries which principally engage in the property development, property management and property investment business. For further details of the principal business activities of RGAP, please refer to the sub-section headed "BUSINESS OVERVIEW" of Appendix III to this circular.

The audited financial information of RGAP prepared in accordance with HKFRS for the last two financial years are extracted as follows:

	For the financial year ended December 31, 2024 *(Audited)* *HK$'000*	**For the financial year ended December 31, 2023** *(Audited)* *HK$'000*
Net loss (before taxation)	(642,894)	(1,270,708)
Net loss (after taxation)	(709,440)	(1,112,478)

The audited total assets of RGAP as of December 31, 2024 is HK$7,302,499,000.

The audited net liabilities of RGAP as of December 31, 2024 is HK$3,214,401,000.

Please refer to Appendix III to this circular for a detailed management discussion and analysis of RGAP.

RGI

Rockefeller Group International, Inc. is a New York corporation incorporated in November 1997 and a party to the Investment Agreement. RGI is ultimately controlled by Mitsubishi Estate Co. Ltd., a company whose shares are listed on the Tokyo Stock Exchange (stock code: 8802), an independent third party and one of the world's largest real estate investment, development and services groups. RGI develops, owns and operates office, residential, industrial and mixed-use properties. Since 1928, RGI has delivered exceptional performance and value creation through dedication to quality in the construction industry.

LISTING RULES IMPLICATIONS

As the highest percentage ratio calculated in accordance with the Listing Rules in respect of the Transaction contemplated under the Agreement exceeds 25% but is less than 100%, the entering into of the Agreement and the Transaction constitute a major transaction for the Company under Chapter 14 of the Listing Rules. The Company is therefore subject to the reporting, announcement, shareholders' approval and circular requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Agreement or the Transaction. As such, none of the Shareholders would be required to abstain from voting if a general meeting were to be convened by the Company to approve the Agreement and the Transaction, and accordingly, written shareholders' approval may be accepted in lieu of the Company holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

The Company has obtained an irrevocable and unconditional written approval for the Agreement and the Transaction from a closely allied group of Shareholders comprising (i) Asia Pacific Promotion Limited which holds 3,272,309,301 Shares, representing approximately 51.34% of the total issued share capital of the Company; (ii) Mr. Ou Yaping and Ms. Cheung Loi Ping, who hold 13,113,738 Shares, representing approximately 0.21% of the total issued share capital of the Company; (iii) Mr. Tang Yui Man Francis who holds 21,375,000 Shares, representing approximately 0.34% of the total issued share capital of the Company; and (iv) Mr. Chen Wei who holds 13,500,000 Shares, representing approximately 0.21% of the total issued share capital of the Company, which in aggregate represent approximately 52.09% of the total issued share capital of the Company.

Asia Pacific Promotion Limited is wholly owned by Mr. Ou Yaping, a former non-executive Director. Mr. Tang Yui Man Francis is an executive Director, the chairman of the Board and the chief executive officer of the Company. Mr. Chen Wei is a former executive Director. Ms. Cheung Loi Ping is the spouse of Mr. Ou Yaping. Mr. Tang Yui Man Francis has been working at the Company and closely with Mr. Ou Yaping since 2001 and has been a Shareholder for 22 years. Mr. Chen Wei has worked at the Company and closely with Mr. Ou Yaping for 27 years until his departure in 2024 and has been a Shareholder for 21 years. Mr. Ou Yaping and Mr. Chen Wei have both exercised their voting rights as Shareholders in most of the Shareholders' resolutions in line with Mr. Ou Yaping's voting direction since they became Shareholders.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Agreement and the Transaction under Chapter 14 of the Listing Rules has been satisfied in lieu of the Company holding a general meeting.

RECOMMENDATION

The Directors are of the view that the Agreement has been entered into on normal commercial terms, and the terms of the Agreement and the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the Agreement and the Transaction at such general meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

By order of the Board
Sinolink Worldwide Holdings Limited
Tang Yui Man Francis
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the financial years ended December 31, 2021, 2022 and 2023 and the unaudited interim financial information of the Group for the six months ended June 30, 2024 are disclosed in the following annual reports and interim report of the Company, which have been published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.sinolinkhk.com**):

- Annual report of the Company for the year ended December 31, 2021 (pages 49 to 160): https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601205.pdf

- Annual report of the Company for the year ended December 31, 2022 (pages 62 to 167): https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702050.pdf

- Annual report of the Company for the year ended December 31, 2023 (pages 63 to 165): https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901316.pdf

- Interim report of the Company for the six months ended June 30, 2024 (pages 32 to 76): https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900431.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on January 31, 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding secured and unguaranteed bank borrowings of approximately HK$2,729.4 million. The bank borrowings are secured by bank deposits, trade receivables, properties, plant and equipment, stock of properties and investment properties of the Group.

As at the close of business on January 31, 2025, the Group had another secured and unguaranteed borrowing of HK$94.6 million, with a fixed interest rate of 10% per annum. This borrowing is secured by certain equity interests of a subsidiary of the Group.

As at the close of business on January 31, 2025, the Group had guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties amounting to approximately HK$2.7 million.

As at the close of business on January 31, 2025, the Group had secured and unguaranteed outstanding lease obligations in respect of office premises with an discounted principal amount of approximately HK$5.5 million. The lease obligations are secured by rental deposits.

Save as aforementioned or as otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade payables and other liabilities in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, other recognised lease liabilities or lease commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other contingent liabilities at the close of business on January 31, 2025.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances, banking facilities available and other internal resources available to the Enlarged Group and also the effect of the Transaction, the Enlarged Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2024 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Looking ahead, the global economy continues to face challenges. Whilst there is a general expectation that interest rates will trend downward, potentially offering relief to businesses and consumers, the extent and pace of reducing interest rates remain uncertain. In addition to the prolonged period of high interest rates, geopolitical tensions and economic uncertainties persist, which pose risks that could temper the pace of global economic recovery and growth. According to the World Economic Outlook Update released by the International Monetary Fund (IMF) in January 2025, global growth is projected at 3.3% both in 2025 and 2026, which is below the historical average of 3.7% from 2000 to 2019.

In terms of China's economic outlook, the country continues to face challenges. China's economy grew by around 5% in 2024, which was fueled by stimulus measures, strong exports and high-tech investments. However, the country is still affected by challenges such as weak domestic demand and demographic pressures. Structural reforms and targeted policies will be crucial for sustaining growth into 2025.

Though a package of pro-economic growth policies have been rolled out in China in 2024 that led to positive changes in many areas, the foundation for economic recovery is not solid yet. Foreign demand has not been strong enough to compensate for weak domestic demand, the growth of emerging industries is insufficient to counterbalance the decline in traditional industries, and challenges of structural and cyclic economic transformation are still evident. In 2025, changes in domestic and foreign policies will be the biggest variable influencing China's economic trends. Domestically, the implementation and enhancement of incremental policies will be crucial for economic recovery. Externally, the tariff adjustments imposed by the U.S. may significantly impact China's exports. It is expected that China's GDP growth will remain at around 5% in 2025.

Supported by policies, consumption in China is expected to gradually recover. In 2025, consumption growth is likely to pick up slightly. First, the consumer goods trade-in policy is expected to further demonstrate its effectiveness. Second, the potential for service consumption is likely to be further realized. Third, falling interest rates on existing housing loans will ease repayment pressures on residents, improve their cash flow, and unlock certain consumption potential.

2025 marks the final year of China's 14th Five-Year Plan period. Despite a more uncertain external environment, opportunities are expected to arise from changes in domestic expectations, intensified policies, accelerated growth of new economic drivers, and a stabilizing real estate market. The growth of money supply and aggregate financing to the real economy is expected to rise steadily, driven by enhanced policies and recovering financing demand. The regulatory mechanism for monetary policies will be further refined, with overall interest rates continuing to decline. Initially declining before rising, the capital market is expected to see a structural slow bull trend.

Of all the industries in which we operate, we believe that the Fintech industry holds the greatest potential for development. Fintech has experienced rapid growth over the past several years and continues to increasingly be applied across various financial service scenarios. This not only enhances the efficiency of the financial services industry but also provides the general public with a wider range of products and service options. Notably, amidst the outbreak of the COVID-19 pandemic at the beginning of 2020, Fintech played a crucial role in transforming and improving people's lifestyles by offering faster and more convenient services and experiences. We have witnessed significant advancements to and the potential for further development in technology, which in turn present more opportunities and greater value.

In terms of our business development, while we strive to balance the profitability and growth of our existing business and operations, we are also committed to exploring new development opportunities. The Group will continue to leverage the momentum of the Fintech industry's growth, with the aim that strategic resource allocation and effective management will support the Group's stable growth and deliver long-term value to our Shareholders.

The following is the text of a report set out on pages II-1 to II-2, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SINOLINK WORLDWIDE HOLDINGS LIMITED

Introduction

We report on the historical financial information of Rockefeller Group Asia Pacific, Inc. (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages II-3 to II-63, which comprises the consolidated and company statements of financial position as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss, the consolidated statements of other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-3 to II-63 forms an integral part of this report, which has been prepared for inclusion in the circular of Sinolink Worldwide Holdings Limited (the "Company") dated 24 March 2025 (the "Circular") in connection with the acquisition of the Target Company by the Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The financial statements of the Target Group for the Track Record Period ("Underlying Financial Statements"), on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and for such internal control as the directors determine is necessary to enable the preparation of Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Target Company as at 31 December 2022, 2023 and 2024 and the consolidated financial position of the Target Group as at 31 December 2022, 2023 and 2024 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
24 March 2025

I HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in HK dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
	Note	**2022**	**2023**	**2024**
		HK$'000	*HK$'000*	*HK$'000*
Revenue	5	221,613	203,128	265,816
Cost of sales	9	(17,324)	(20,544)	(23,159)
Gross profit		204,289	182,584	242,657
Other income	6	4,285	5,126	3,415
Other losses, net	7	(11,557)	(4,829)	(4,833)
Selling expenses	9	(17,016)	(21,591)	(15,864)
Administrative expenses	9	(50,301)	(71,781)	(64,527)
Fair value gains/(losses) of investment properties	14	678,334	(577,735)	(48,407)
(Impairment losses) /reversal of impairment losses on financial assets, net		(2,122)	(9,438)	15,290
Finance costs	8	(457,717)	(773,044)	(770,428)
Share of results of investments accounted for using the equity method	15	—	—	(196)
Profit/(loss) before income tax		348,195	(1,270,708)	(642,894)
Income tax (expense)/credit	11	(218,541)	158,230	(66,546)
Profit/(loss) for the year		129,654	(1,112,478)	(709,440)

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Note	Year ended 31 December 2022	2023	2024
		HK$'000	*HK$'000*	*HK$'000*
Profit/(loss) for the year		129,654	(1,112,478)	(709,440)
Other comprehensive loss				
Items that will be reclassified to profit or loss				
Currency translation differences		(271,065)	(49,932)	(12,927)
Other comprehensive loss for the year, net of tax		(271,065)	(49,932)	(12,927)
Total comprehensive loss for the year		(141,411)	(1,162,410)	(722,367)

The above consolidated statements of other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December 2022	2023	2024
		HK\$'000	*HK\$'000*	*HK\$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	13	127,500	139,523	132,485
Investment properties	14	6,529,361	5,835,204	4,153,172
Investments accounted for using the equity method	15	—	—	4,658
		6,656,861	5,974,727	4,290,315
Current assets				
Stock of properties	16	1,831,047	1,810,403	1,924,600
Trade and other receivables, deposits	18	52,619	72,144	94,115
Amounts due from a related party	28(b)	157	154	—
Cash and cash equivalents	19	91,396	31,851	82,204
Current assets excluding assets classified as held for sale		1,975,219	1,914,552	2,100,919
Assets classified as held for sale	17	—	—	911,265
		1,975,219	1,914,552	3,012,184
Total assets		8,632,080	7,889,279	7,302,499
EQUITY				
Capital and reserves attributable to owners of the Target Company				
Share capital	23	8	8	8
Reserves		(2,070,768)	(2,876,416)	(3,214,409)
Total shareholders' deficit		(2,070,760)	(2,876,408)	(3,214,401)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December 2022	2023	2024
		HK$'000	*HK$'000*	*HK$'000*
LIABILITIES				
Non-current liabilities				
Bank and other borrowings	21	2,788,829	2,653,574	1,786,487
Deferred income tax liabilities	22	625,045	457,718	445,626
Amounts due to a shareholder	28(b)	6,328,869	6,604,994	6,881,119
		9,742,743	9,716,286	9,113,232
Current liabilities				
Trade and other payables	20	492,414	486,367	453,279
Income tax payable		7,393	7,269	79,142
Amounts due to related parties	28(b)	115	22,927	3,718
Amounts due to a shareholder	28(b)	364,656	393,646	382,345
Bank and other borrowings	21	95,519	139,192	485,184
		960,097	1,049,401	1,403,668
Total liabilities		10,702,840	10,765,687	10,516,900
Total equity and liabilities		8,632,080	7,889,279	7,302,499

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

	Note	As at 31 December		
		2022	2023	2024
		HK$'000	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Interest in a subsidiary		8	8	8
Amount due from a subsidiary		1,570,106	1,570,226	1,570,300
		1,570,114	1,570,234	1,570,308
Current asset				
Cash and cash equivalents		219	119	100
Total assets		1,570,333	1,570,353	1,570,408
EQUITY				
Capital and reserves attributable to owners of the Target Company				
Share capital	23	8	8	8
Reserves		(4,758,544)	(5,034,649)	(5,310,719)
Total shareholders' deficit		(4,758,536)	(5,034,641)	(5,310,711)
LIABILITIES				
Non-current liability				
Amounts due to a shareholder	28(b)	6,328,869	6,604,994	6,881,119
Total liabilities		6,328,869	6,604,994	6,881,119
Total equity and liabilities		1,570,333	1,570,353	1,570,408

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital (Note 23) *HK$'000*	Translation reserve *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
Year ended 31 December 2022					
At 1 January 2022	8	265,663	189,449	(2,713,619)	(2,528,499)
Profit for the year	—	—	—	129,654	129,654
Other comprehensive loss:					
Currency translation differences	—	(275,065)	—	—	(271,065)
Total comprehensive (loss)/income	—	(271,065)	—	129,654	(141,411)
Transaction with owners:					
Deemed contribution from a shareholder (Note)	—	—	329,150	—	329,150
At 31 December 2022	8	(5,402)	518,599	(2,583,965)	(2,070,760)
Year ended 31 December 2023					
At 1 January 2023	8	(5,402)	518,599	(2,583,965)	(2,070,760)
Loss for the year	—	—	—	(1,112,478)	(1,112,478)
Other comprehensive loss:					
Currency translation differences	—	(49,932)	—	—	(49,932)
Total comprehensive loss	—	(49,932)	—	(1,112,478)	(1,162,410)
Transaction with owners:					
Deemed contribution from a shareholder (Note)	—	—	356,762	—	356,762
At 31 December 2023	8	(55,334)	875,361	(3,696,443)	(2,876,408)
Year ended 31 December 2024					
At 1 January 2024	8	(55,334)	875,361	(3,696,443)	(2,876,408)
Loss for the year	—	—	—	(709,440)	(709,440)
Other comprehensive loss:					
Currency translation differences	—	(12,927)	—	—	(12,927)
Total comprehensive loss	—	(12,927)	—	(709,440)	(722,367)
Transaction with owners:					
Deemed contribution from a shareholder (Note)	—	—	384,374	—	384,374
At 31 December 2024	8	(68,261)	1,259,735	(4,405,883)	(3,214,401)

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Note: Deemed contribution from a shareholder

As at 31 December 2022, 2023 and 2024, a shareholder of the Target Group has confirmed that it is not required to repay the amounts due to a shareholder in the next twelve months from the reporting date. Accordingly, the amounts due to a shareholder was classified as non-current liabilities.

As a results, the right to defer the repayment of amounts due to a shareholder has been deemed to be a capital contribution from the shareholder. Meanwhile, corresponding adjustment was made to the carrying amount of the amounts due to a shareholder.

During the years ended 31 December 2022, 2023 and 2024, the amounts of such contribution credited to other reserves amounted to HK$329,150,000, HK$356,762,000 and HK$384,374,000, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended 31 December 2022	2023	2024
		HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities				
Net cash generated from operations	26(a)	91,027	134,146	5,357
Interest paid		(144,361)	(140,157)	(109,929)
Interest received		1,154	719	1,799
Net cash used in operating activities		(52,180)	(5,292)	(102,773)
Cash flows from investing activities				
Purchases of property, plant and equipment		(2,402)	(9,582)	(1,316)
Proceeds from disposal of property, plant and equipment	26(b)	337	94	—
Proceeds from disposal of investment properties		—	—	644,057
Payments for construction costs incurred in investment properties		(152,064)	—	—
Net cash (used in)/generated from investing activities		(154,129)	(9,488)	642,741
Cash flows from financing activities				
Drawdown of bank borrowings	26(c)	152,599	79,038	—
Repayments of bank borrowings	26(c)	(70,812)	(122,568)	(488,259)
Net cash generated from/ (used in) financing activities		81,787	(43,530)	(488,259)
Net (decrease)/ increase in cash and cash equivalents		(124,522)	(58,310)	51,709
Cash and cash equivalents at beginning of year		231,644	91,396	31,851
Effect of foreign exchange rate changes on cash and cash equivalents		(15,726)	(1,235)	(1,356)
Cash and cash equivalents at end of year	19	91,396	31,851	82,204

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information

Rockefeller Group Asia Pacific, Inc. (the "Target Company") and its subsidiaries (together, the "Target Group") are engaged in property development, property management and property investment.

The Target Company was incorporated in the British Virgin Islands on 5 November 2004 as a limited company. The address of the Target Company's registered office is Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110. The principal place of business of the Target Company is 146 Hu Qiu Road, Capitol Theatre, Shanghai, The People's Republic of China (the "PRC").

Before 20 December 2024, Sinolink Shanghai Investments Limited ("Sinolink SH") held 490 Series B Shares which representing 49% equity interests of the Target Company and Rock-Shanghai Inc. ("RSI") holds 510 Series A Shares which representing 51% of the equity interests of the Target Company, respectively.

On 20 December 2024, Sinolink SH and RSI entered into a purchase and sale agreement ("Agreement"). Pursuant to and in accordance with the terms and conditions of the Agreement, RSI has agreed to sell and Sinolink SH has agreed to purchase, all Series A Shares held by RSI. Upon the completion of the transaction, the Target Company become a wholly-owned subsidiary of Sinolink SH. As at 31 December 2024, the transaction was completed and Sinolink SH held 100% equity interests in the Target Company.

The Historical Financial Information are presented in thousands of units of Hong Kong dollar (HK$'000), unless otherwise stated.

2 Basis of preparation

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA") and has been prepared under the historical cost convention, except for the investment properties that are measured at fair value.

As at 31 December 2024, the Target Group had net liabilities of HK$3,214,401,000. The shareholder of the Target Company has confirmed that it is not required to repay the amounts due to a shareholder in the next twelve months from the date of these consolidated financial statements. Accordingly, the amounts due to a shareholder was classified as non-current liabilities.

The directors of the Target Company have given careful consideration to the future liquidity and performance of the Target Group and its available sources of financing in assessing whether the Target Group will have sufficient funds to fulfil its financial obligations and continue as going concern. The Target Group has obtained a letter of undertakings from a shareholder that it will provide financial support for the continuing operations of the Target Group so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from the approval date of these consolidated financial statements. Accordingly, the consolidated financial statements are prepared on a going concern basis.

The preparation of Historical Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Target Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

All relevant standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Target Group consistently throughout the Track Record Period.

(i) New standards and amendments to standards that have been issued but are not effective:

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Target Group.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	Narrow-scope amendments to HKFRS	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures'	1 January 2027
Hong Kong Interpretation 5	Presentation of Financial Statements —Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined

HKFRS 18

HKFRS 18 was issued in July 2024 and will replace HKAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in HKFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

HKFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by HKFRS 18 might require system and process changes for many entities, so entities should focus now to be ready for adoption. The Target Group is in the process of assessing the impact of adoption of HKFRS 18.

There are no other amended standards and annual improvements that are not yet effective that would be expected to have a material impact to the Target Group.

3 Financial risk management

3.1 Financial risk factors

The Target Group's major financial instruments include trade and other receivables and deposits, amounts due from a related party, cash and cash equivalents, bank and other borrowings, trade and other payables, amounts due to related parties and amounts due to a shareholder. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Target Group holds the following financial instruments:

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets at amortised cost:			
Trade and other receivables and deposits	52,619	72,144	94,115
Amounts due from a related party	157	154	—
Cash and cash equivalents	91,396	31,851	82,204
	144,172	104,149	176,319
Financial liabilities at amortised cost:			
Trade payables and other payables	462,350	453,968	421,460
Amounts due to related parties	115	22,927	3,718
Amounts due to a shareholder	6,693,525	6,998,640	7,263,464
Bank and other borrowings	2,884,348	2,792,766	2,271,671
	10,040,338	10,268,301	9,960,313

(a) Market risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Target Company's functional currency is United States Dollar ("USD"). The subsidiaries of the Target Company mainly operate in PRC and trade domestically in Chinese Reminbi ("RMB") which is also the functional currency of the subsidiaries. The Target Group currently does not expose to currency risk. The management of Target Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and consider hedging significant foreign currency exposure should the need arise.

Cash flow and fair value interest rate risk

The Target Group is exposed to fair value interest rate risk in relation to fixed-rate loans from a shareholder (Note 28) and cash flow interest rate risk in relation to bank balances (Note 19) and bank borrowings (Note 21) at prevailing markets rates. The Target Group currently does not have any policy on cash flow hedges of interest rate risk. However, the management of the Target Group monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to cash flow interest rate risk for financial instruments at the end of the reporting period. For variable-rate financial instruments, the analysis is prepared assuming the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

As at 31 December 2022, 2023 and 2024, if the interest rate on bank borrowings had been increased/decreased by 50 basis points, with all other variables held constant, the post-tax profit/(loss) for the years ended 31 December 2022, 2023 and 2024 would have been approximately HK$10,453,000, HK$10,115,000 and HK$8,166,000 lower/higher, higher/lower and higher/lower, respectively.

(b) Credit risk

Credit risk arises from trade and other receivables, deposits and cash and cash equivalents.

The carrying amounts of trade and other receivables, deposits and cash and cash equivalents represent the Target Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

The credit risk on cash and cash equivalents of the Target Group is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and no history of default in the past.

For trade receivables arising from contracts with customers, in order to minimise the credit risk, management of the Target Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Target Group uses an internal credit rating system to assess the potential customer's credit quality and defines credit limits by customer. Credit risk of trade receivables from property management, property investment and property development business are assessed individually. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

For other receivables and amounts due from a related party, management of the Target Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information.

The Target Group has no significant concentration of credit risk with respect to trade receivables as the Target Group mainly trades with a large number of customers.

Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

(ii) Impairment of financial assets

Trade receivables from property management and property investments business are subject to the expected credit loss ("ECL") model. While bank deposits, including cash equivalents are subject to the impairment requirement of HKFRS 9, the identified impairment loss was insignificant.

The Target Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	**Description**	**Trade receivables**	**Other financial assets**
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL (non-credit-impaired)	12-month ECL
Medium risk	Debtor with history of requesting the extension of due date but usually settle within the extended due date	Lifetime ECL (non-credit-impaired)	12-month ECL
High risk	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL (non-credit-impaired)	Lifetime ECL (non-credit-impaired)
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating the debtor is in severe financial difficulty and the Target Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

The tables below detail the credit risk exposures of the Target Group's financial assets which are subject to ECL assessment:

				Gross carrying amounts		
	Notes	**Internal credit rating**	**12-month or lifetime ECL**	**As at 31 December 2022**	**As at 31 December 2023**	**As at 31 December 2024**
				HK$'000	*HK$'000*	*HK$'000*
Financial assets at amortised costs						
Trade receivables	18	Low risk	Lifetime ECL (provision matrix)	11,636	6,409	7,227
Other financial assets at amortised cost	18	Low risk	12-month ECL	52,010	61,377	91,913
	18	Loss	Lifetime ECL (credit-impaired)	—	24,692	—

Trade receivables

The Target Group estimates the lifetime loss allowance by applying simplified approach under HKFRS 9. The management assesses impairment loss using the risk parameter modelling approach that incorporates key measurement parameters, including probability of default, loss given default and exposure at default, with the consideration of forward-looking information. Trade receivables are assessed individually by the management of the Target Group.

In respect of trade receivables, sufficient rental deposits from tenants are held to cover potential exposure to credit risk. The expected loss rates are based on the historical credit loss rate for respective customers. Evaluations are made for the customers with reference to their repayment history and financial strength, as well as the economic environment in which the customer operates. The Target Group has estimated the expected credit losses with loss rate ranging from 9.18% to 9.18%, 0.31% to 22.4% and 0.38% to 26% applied on individual debtor with good credit history as at 31 December 2022, 2023 and 2024 respectively. The Target Group has estimated the expected credit losses with loss rate ranging from 50% to 100%, 61.1% to 100% and 22.4% to 100% applied on individual debtor with poor credit history as at 31 December 2022, 2023 and 2024 respectively.

As at 31 December 2022, 2023 and 2024, the allowance for credit loss on trade receivables were HK$11,117,000, HK$5,418,000 and HK$5,025,000, respectively.

Other financial assets at amortised cost

For the purpose of internal credit risk management, the Target Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

For other financial assets at amortised cost, including deposits and other receivables, the expected credit loss is based on the 12 months expected losses. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since, origination, the allowance will be based on the lifetime expected credit loss.

For deposits and other receivables, they are assessed individually for impairment allowance. Accordingly, the respective specific allowance for credit loss on other receivables were HK$nil, HK$14,916,000 and HK$nil, respectively as at 31 December 2022, 2023 and 2024.

The following tables show reconciliation of loss allowances that has been recognised for trade receivables which is measured under lifetime ECL and other receivables which is measured under 12-month ECL:

	Lifetime ECL (provision matrix) Trade receivables	**Lifetime ECL (credit-impaired) Other receivables**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
As at 1 January 2022	9,894	—	9,894
Additions	2,122	—	2,122
Currency realignment	(899)	—	(899)
As at 31 December 2022	11,117	—	11,117
Impairment losses written back	(5,537)	—	(5,537)
Additions	2	14,973	14,975
Currency realignment	(164)	(57)	(221)
As at 31 December 2023	5,418	14,916	20,334
Impairment losses written back	(1,590)	(14,973)	(16,563)
Additions	1,273	—	1,273
Currency realignment	(76)	57	(19)
As at 31 December 2024	5,025	—	5,025

(c) Liquidity risk

In the management of the liquidity risk, the Target Group monitors and maintains a level of cash and bank balances (including cash and cash equivalents) which is expected adequate by the management to finance the Target Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Target Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Target Group relies on borrowings as a source of liquidity.

The following table details the Target Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay. The table includes both interest and principal cash flows.

	Repayable on demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2022							
Trade payables, deposits received and accrued charges	462,350	—	—	—	—	462,350	462,350
Amounts due to related parties	115	—	—	—	—	115	115
Amounts due to a shareholder	364,656	—	6,961,756	—	—	7,326,412	6,693,525
Bank and other borrowings	—	218,107	273,932	757,338	2,923,261	4,172,638	2,884,348
	827,121	218,107	7,235,688	757,338	2,923,261	11,961,515	10,040,338

	Repayable on demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2023							
Trade payables, deposits received and accrued charges	453,968	—	—	—	—	453,968	453,968
Amounts due to related parties	22,927	—	—	—	—	22,927	22,927
Amounts due to a shareholder	393,646	—	7,265,493	—	—	7,659,139	6,998,640
Bank and other borrowings	—	252,580	252,436	720,017	2,726,863	3,951,896	2,792,766
	870,541	252,580	7,517,929	720,017	2,726,863	12,087,930	10,268,301

	Repayable on demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2024							
Trade payables, deposits received and accrued charges	421,460	—	—	—	—	421,460	421,460
Amounts due to related parties	3,718	—	—	—	—	3,718	3,718
Amounts due to a shareholder	382,345	—	7,569,493	—	—	7,951,838	7,263,464
Bank and other borrowings	—	568,174	169,192	537,514	1,737,703	3,012,583	2,271,671
	807,523	568,174	7,738,685	537,514	1,737,703	11,389,599	9,960,313

3.2 Fair value estimation

The table below analyses the Target Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Non-financial assets

The Target Group's leasehold land and buildings classified under investment properties are carried at fair value. Details of the fair value measurement of these leasehold land and buildings are disclosed in Note 14.

3.3 Capital risk management

The Target Group manages its capital to ensure that entities in the Target Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Target Group's overall strategy remains unchanged from prior year.

The capital structure of the Target Group consists of debts, which include amounts due to a shareholder and bank and other borrowings disclosed in respective notes, and equity attributable to the owners of the Target Company, comprising issued share capital, reserves including accumulated losses.

The directors of the Target Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Target Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Target Company, the Target Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the drawdown of new bank borrowings or the redemption of existing debt.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the independent professional valuer has based on a method of valuation which involves certain estimates including capitalisation rates, market rent and adjustments to market rent. In relying on the valuation report, the directors of the Target Company have exercised their judgment and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Target Group's investment properties and the corresponding adjustments to the amount of fair value gain or loss reported in the profit or loss. As at 31 December 2022, 2023 and 2024, the carrying amount of the Target Group's investment properties are HK$6,529,361,000, HK$5,835,204,000, and HK$4,153,172,000 respectively.

(b) Estimate for net realisable value of stock of properties

The carrying amounts of stock of properties amounted to HK$1,831,047,000, HK$1,810,403,000 and HK$1,924,600,000 as at 31 December 2022, 2023 and 2024 respectively. The net realisable value of stock of properties was determined by the expected selling prices with reference to recent market transactions by making reference to the prevailing market price of comparable properties less to related future selling costs and costs to completion based on management's estimation. The determination of net realisable value of the Target Group's stock of properties involves critical accounting estimates on the selling price, the selling costs and the costs to completion of stock of properties. Management estimated the selling price, the selling costs and the costs to completion by referencing to the comparable market transactions, selling costs to revenue ratio in previous projects and management budget of estimated cost to completion respectively. Changes in data input and estimations would result in changes in the net realisable value of stock of properties and the corresponding adjustments to the amount of impairment loss reported in the profit or loss.

(c) Current and deferred income taxes

The Target Group makes a provision for current income tax based on estimated taxable income for the year. The estimated income tax liabilities are primarily computed based on the tax computations as prepared by the Group. If the Group considers it probable that these queries or judgements will result in different tax positions, the most likely amounts of the outcome will be estimated and adjustments to the income tax expense and income tax liabilities will be made accordingly.

The Target Group recognises deferred income tax assets based on profits forecasts prepared by management. When the expectation is different from the original estimates, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 Revenue

(i) Disaggregation of revenue from contracts with customers

Revenue primarily represents revenue arising from property management fee income and rental income, after deducting discounts and other sales related taxes. An analysis of the Target Group's revenue for the years are as follows:

	2022 *HK$'000*	2023 *HK$'000*	2024 *HK$'000*
Recognised over time under HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15"):			
- Property management fee income	19,735	20,070	26,888
Recognised under HKFRS 16:			
- Rental income	201,878	183,058	238,928
	221,613	203,128	265,816

All of the Target Group's revenue is generated from the People's Republic of China (the "PRC") during the years ended 31 December 2022, 2023 and 2024.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For the year ended 31 December 2022

	Property management *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Property management fee income	19,735	—	19,735
Rental income	—	201,878	201,878
Total revenue	19,735	201,878	221,613

For the year ended 31 December 2023

	Property management	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*
Property management fee income	20,070	—	20,070
Rental income	—	183,058	183,058
Total revenue	20,070	183,058	203,128

For the year ended 31 December 2024

	Property management	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*
Property management fee income	26,888	—	26,888
Rental income	—	238,928	238,928
Total revenue	26,888	238,928	265,816

(ii) Performance obligations for contracts with customers

Property management fee income

Under the terms of these contracts, the customers of the Target Group simultaneously receive and consume the benefits provided by the Target Group's performance as the Target Group performs (i.e. services rendered by the Target Group under property management contracts with the customers with original contract period up to 10 years for the years ended 31 December 2022, 2023 and 2024), and thus these income are recognised over time.

As at 31 December 2022, 2023 and 2024, the Target Group has received advance payments from customers for property management services and recognised contract liabilities of HK$2,831,000, HK$6,780,000, and HK$6,050,000, respectively.

The following table shows how much of the property management fee income recognised in the current reporting periods that were included in the contract liabilities balance at the beginning of the periods:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Revenue recognised that was included in the contract liabilities at the beginning of the years	2,845	2,831	6,780

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations of property management services (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Within one year	18,093	22,884	30,122
More than one year but not more than two years	11,282	18,995	17,042
More than two years but not more than five years	11,477	10,637	17,819
More than five years	264	—	7,412
	41,116	52,516	72,395

(iv) Leases

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
For operating leases properties:			
- Lease payments that are fixed	200,644	181,145	232,842
- Variable lease payments that do not depend on an index or a rate	1,234	1,913	6,086
Total revenue arising from leases	201,878	183,058	238,928

(v) Accounting policies

Revenue recognition

Revenue from provision of property management services

Revenue from provision of property management services is recognised when the services is provided to the customers throughout the contract period.

Rental income

Rental income under operating leases is recognised in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Variable lease payments (i.e. variable rental income) that do not depend on an index or a rate are recognised in the accounting period in which they are earned.

Rental income from operating leases is recognised in consolidated statement of profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Details of other accounting policies relevant to revenue recognition are set out in Note 30.15.

6 Other income

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Interest income on bank deposits	1,154	719	1,799
Others	3,131	4,407	1,616
	4,285	5,126	3,415

7 Other losses, net

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Net exchange losses	(11,722)	(4,843)	(4,833)
Gains on disposal of property, plant and equipment	165	14	—
	(11,557)	(4,829)	(4,833)

8 Finance costs

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Interest on bank and other borrowings	144,361	140,157	109,929
Interest on amounts due to a shareholder	479,492	592,887	660,499
	623,853	733,044	770,428
Less: Amount capitalised in properties under development	(166,136)	—	—
Finance costs	457,717	733,044	770,428

9 Expenses by nature

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Staff cost (Note 10)	16,478	16,284	18,384
Depreciation on property, plant and equipment (Note 13)	5,089	5,495	5,815
Project management fee	—	26,195	—
Legal and professional fee	1,344	735	3,504
Repair and maintenance	9,095	8,185	8,488
Utilities	4,361	6,751	5,051
Insurance charges	5,470	1,022	524
Entertainment fee	4,842	4,332	3,970
Marketing expense	14,506	17,580	15,289
Real estate tax	11,966	12,548	24,689
Cleaning charges	2,092	3,389	5,162
Security	4,473	6,410	8,386
Others	4,925	4,990	4,289
Total cost of sales, selling and administrative expenses	84,641	113,916	103,551

10 Employee benefit expenses

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Wages and salaries	10,691	10,826	10,099
Bonus and staff welfare	2,196	1,827	4,505
Retirement benefits schemes contributions	3,591	3,631	3,780
Total employee benefit expenses	16,478	16,284	18,384

The Target Group's subsidiaries operating in the PRC have participated in defined contribution retirement schemes organised by the relevant local government authorities in the PRC. All PRC employees are entitled to an annual pension equal to a fixed portion of their basic salaries at their retirement dates. The Group is required to contribute a certain percentage of its PRC employees' basic salaries and wages to the central pension scheme to fund the retirement benefits and have no further obligation for post-retirement benefits beyond the annual contributions made.

During the years ended 31 December 2022, 2023 and 2024, the Target Group made contributions to the retirement benefits schemes amounting to HK$3,591,000, HK$3,631,000 and HK$3,780,000 respectively.

11 Income tax expense/(credit)

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
PRC land appreciation tax	—	—	72,708
Deferred income tax (Note 22)	218,541	(158,230)	(6,162)
	218,541	(158,230)	66,546

PRC land appreciation tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

PRC corporate income tax ("CIT")

The income tax provision of the Target Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. For the years ended 31 December 2022, 2023 and 2024, the corporate income tax rate applicable to the group entities located in the PRC is 25% according to the Corporate Income Tax Law of the PRC (the "CIT Law"). PRC Corporate Income Tax has not been provided as the Target Group did not have any assessable profits for Track Record Period.

The taxation for the years can be reconciled to the profit/(loss) before income tax per consolidated statements of profit or loss as follows:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Profit/(loss) before income tax	348,195	(1,270,708)	(642,894)
Adjustment for share of results of an associate	—	—	196
	348,195	(1,270,708)	(642,698)
Tax calculated at domestic tax rates applicable in the respective countries	87,048	(317,677)	(160,674)
Tax effect of expenses not deductible for tax purpose	126,627	153,262	170,317
Tax effect of income not taxable for tax purpose	(289)	(180)	(450)
Tax effect of tax losses not recognised	1,980	3,189	470
Utilisation of tax losses previously not recognised	—	—	(824)
PRC land appreciation tax deductible for income tax purpose	—	—	(18,177)
Withholding tax on interest income	3,176	3,176	3,176
Corporate income tax	218,541	(158,230)	(6,162)
PRC land appreciation tax	—	—	72,708
Income tax expense/(credit) for the year	218,541	(158,230)	66,546

12 Dividends

The directors of the Target Group do not recommend the payment or declaration of a dividend in respect of the years ended 31 December 2022, 2023 and 2024.

13 Property, plant and equipment

	Construction in progress	Right-of-use assets (Note a)	Buildings	Equipment, furniture and fixtures	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
At 1 January 2022	4,762	77,404	88,757	13,114	184,037
Additions	1,780	—	-	622	2,402
Disposals	—	—	-	(1,552)	(1,552)
Exchange realignment	(456)	(6,546)	(6,994)	(1,081)	(15,077)
At 31 December 2022	6,086	70,858	81,763	11,103	169,810
Accumulated depreciation					
At 1 January 2022	—	(14,287)	(16,485)	(11,320)	(42,092)
Depreciation	—	(2,240)	(2,586)	(263)	(5,089)
Disposals	—	—	-	1,380	1,380
Exchange realignment	—	1,192	1,376	923	3,491
At 31 December 2022	—	(15,335)	(17,695)	(9,280)	(42,310)
Net book amount					
At 31 December 2022	6,086	55,523	64,068	1,823	127,500
At 1 January 2022	4,762	63,117	72,272	1,794	141,945
Cost					
At 1 January 2023	6,086	70,858	81,763	11,103	169,810
Additions	5,703	—	—	3,879	9,582
Disposals	—	—	—	(807)	(807)
Transfer from investment properties	—	3,791	6,094	—	9,885
Exchange realignment	(114)	(967)	(1,116)	(189)	(2,386)
At 31 December 2023	11,675	73,682	86,741	13,986	186,084
Accumulated depreciation					
At 1 January 2023	—	(15,335)	(17,695)	(9,280)	(42,310)
Depreciation	—	(2,374)	(2,796)	(325)	(5,495)
Disposals	—	—	—	727	727
Exchange realignment	—	167	195	155	517
At 31 December 2023	—	(17,542)	(20,296)	(8,723)	(46,561)
Net book amount					
At 31 December 2023	11,675	56,140	66,445	5,263	139,523
At 1 January 2023	6,086	55,523	64,068	1,823	127,500

	Construction in progress	Right-of-use assets (Note a)	Buildings	Equipment, furniture and fixtures	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
At 1 January 2024	11,675	73,682	86,741	13,986	186,084
Additions	1,214	—	—	102	1,316
Exchange realignment	(239)	(1,226)	(1,417)	(392)	(3,274)
At 31 December 2024	12,650	72,456	85,324	13,696	184,126
Accumulated depreciation					
At 1 January 2024	—	(17,542)	(20,296)	(8,723)	(46,561)
Depreciation	—	(2,429)	(2,860)	(526)	(5,815)
Exchange realignment	—	278	327	130	735
At 31 December 2024	—	(19,693)	(22,829)	(9,119)	(51,641)
Net book amount					
At 31 December 2024	12,650	52,763	62,495	4,577	132,485
At 1 January 2024	11,675	56,140	66,445	5,263	139,523

The carrying amount of the Target Group's leasehold land and buildings comprises properties mainly situated in the PRC.

(i) Non-current assets pledged as security

As at 31 December 2022, 2023 and 2024, carrying amounts of HK$125,677,000, HK$134,260,000 and HK$127,908,000 were pledged respectively as security for the bank borrowings by the Target Group.

(ii) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Leasehold land and buildings	Over the shorter of the lease term and 30 years
Equipment, furniture and fixtures	2 to 5 years

Details of other accounting policies relevant to property, plant and equipment are set out in Note 30.3.

(a) Right-of-use assets

(i) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position shows the following amounts relating to leases:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Right-of-use assets			
Leasehold land	55,523	56,140	52,763

For the years ended 31 December 2022, 2023 and 2024, there was no addition to the right-of-use assets.

(ii) Amounts recognised in the consolidated statements of profit or loss

The consolidated statements of profit or loss shows the following amounts relating to leases:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Depreciation charge of right-of-use assets			
- leasehold land	2,240	2,374	2,429

(iii) The Target Group's leasing activities and how these are accounted for

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Target Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor.

Details of other accounting policies relevant to lease are set out in Note 30.19.

14 Investment properties

The Target Group leases out various offices, retail premises and car parks located in the PRC under operating leases with rentals payable monthly. The leases of office and retail premises typically run for an initial period of one to five years. The lease payment are fixed over the lease term for the years ended 31 December 2022, 2023 and 2024.

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Opening net book amount	6,252,509	6,529,361	5,835,204
Construction cost incurred	152,064	—	—
Transfer to property, plant and equipment	—	(9,885)	—
Transfer to assets classified as held for sale (Note 17)	—	—	(1,564,543)
Fair value gains/(losses) of investment properties	678,334	(577,735)	(48,407)
Exchange realignment	(553,546)	(106,537)	(69,082)
	6,529,361	5,835,204	4,153,172

(i) Amounts recognised in profit or loss for investment properties

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Rental income from operating leases	201,878	183,058	238,928
Direct operating expenses from investment properties that generated rental income during the year	8,155	13,699	18,693
Direct operating expenses from investment properties that did not generate rental income during the year	9,169	6,845	4,467
Fair value gains/(losses) of investment properties	678,334	(577,735)	(48,407)

(ii) Non-current assets pledged as security

At 31 December 2022, 2023 and 2024, the Target Group's investment properties with carrying values of HK$6,529,361,000, HK$5,835,204,000 and HK$4,153,172,000 were pledged to secure general banking facilities granted to the Target Group respectively.

(iii) Valuation processes of the Target Group

The Target Group measures its completed investment properties at fair value at 31 December 2022, 2023 and 2024, which have been arrived at on the basis of a valuation carried out on those dates by an independent qualified professional valuer, Cushman & Wakefield, who is the member of the Hong Kong Institute of Surveyors.

The management of the Target Group works closely with the independent professional valuer to establish and determine the appropriate valuation techniques and inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the executive directors of the Target Company to explain the cause of the fluctuations.

(iv) Valuation techniques

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

The fair value measurement of the Target Group's investment properties is categorised into level 3 in the fair value hierarchy based on the inputs to valuation techniques used. During the years ended 31 December 2022, 2023 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3. There has been no change from the valuation technique used in the prior year for offices and retail premises. There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs

The following table shows the valuation techniques used in the determination of fair values for investment properties and unobservable inputs used in the valuation models.

Description	**Fair value**	**Valuation techniques**	**Key inputs**	**Range of significant inputs**	**Relationship of inputs to fair value**
	HK$'000				
As at 31 December 2022					
Retail premises	6,529,361	Income capitalisation approach	(i) Capitalisation rate	5.25% - 5.75%	(i) The higher the capitalisation rate, the lower the fair value.
			(ii) Market rent (sq.m./month)	RMB 85,502	(ii) The higher the market rent, the higher the fair value.
	6,529,361				

Description	Fair value	Valuation techniques	Key inputs	Range of significant inputs	Relationship of inputs to fair value
	HK$'000				
As at 31 December 2023					
Retail premises	5,835,204	Income capitalisation approach	(i) Capitalisation rate	5.25% - 5.75%	(i) The higher the capitalisation rate, the lower the fair value.
			(ii) Market rent (sq.m./month)	RMB79,957	(ii) The higher the market rent, the higher the fair value.
	5,835,204				
As at 31 December 2024					
Retail premises	4,153,172	Income capitalisation approach	(i) Capitalisation rate	5.25% - 5.75%	(i) The higher the capitalisation rate, the lower the fair value.
			(ii) Market rent (sq.m./month)	RMB70,100	(ii) The higher the market rent, the higher the fair value.
	4,153,172				

(v) Accounting policies

Investment properties are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Target Group. Investment properties are initially measured at cost, included related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Target Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are presented in consolidated statements of profit or loss as part of a fair value gains/losses of investment properties.

15 Investments accounted for using the equity method

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Cost of unlisted investments accounted for using the equity method	5,452	5,361	10,135
Share of post-acquisition results	(5,452)	(5,361)	(5,281)
Share of results of investments accounted for using the equity method	—	—	(196)
	—	—	4,658

Movements of the Target Group's investments accounted for using the equity method as at 31 December 2022, 2023 and 2024 are as follows:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Opening net book amount	—	—	—
Addition	—	—	4,924
Share of results of investments accounted for using the equity method	—	—	(196)
Exchange realignment			(70)
	—	—	4,658

There were no material commitments to the investments accounted for using the equity method and no liability was recognised for additional losses after the investments accounted for using the equity method is reduced to zero as at 31 December 2022, 2023 and 2024. The Target Group's cumulative share of loss excess of cost of investment in investments accounted for using the equity method was HK$4,748,000, HK$5,574,000 and HK$6,431,000, respectively as at 31 December 2022, 2023 and 2024.

Details of the Target Group's principal investments accounted for using the equity method as at 31 December 2022, 2023 and 2024 are as follows:

Name of company	Place of incorporation/ establishment and form of business structure	Principal place of operation	Percentage of equity interest attributable to the Target Group			Nature of relationship	Principal activities
			2022	2023	2024		
Interest indirectly held by the Target Company							
上海建邦餐飲有限公司	PRC — limited liability company	PRC	35%	35%	35%	Associate	Operating catering business
墨音文化傳媒(上海)有限公司	PRC — limited liability company	PRC	—	—	30%	Associate	Operating culture and Arts events

16 Stock of properties

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Completed properties held for sale	1,831,047	1,810,403	1,924,600

Completed properties held for sale of the Target Group were all located in the PRC and expected to be available for sale within normal operating cycle.

At 31 December 2022, 2023 and 2024, completed properties held for sale of HK$1,831,047,000, HK$1,810,403,000 and HK$1,924,600,000 were pledged as securities for the Target Group's bank borrowings respectively.

For the year ended 31 December 2022, the capitalisation rate of borrowings is 9.4%.

Accounting policies

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less all necessary selling expenses, or by management estimates based on prevailing marketing conditions.

17 Assets classified as held for sale

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Assets classified as held for sale - Investment properties			
Opening net book amount	—	—	—
Transfer from investment properties (Note 14)	—	—	1,564,543
Disposal	—	—	(644,057)
Exchange realignment	—	—	(9,221)
	—	—	911,265

Assets classified as held for sale

On 30 April 2024, the Target Group entered into a sale and purchase agreement with the purchaser for two investment properties (collectively, the "Properties") at the aggregated consideration of RMB1,436,553,000 (equivalent to approximately HK$1,564,543,000). The Properties comprise of a property amounted to HK$644,057,000 which was disposed on 27 December 2024, and another property amounted to HK$911,265,000 which is expected to be disposed in 2025.

Accounting policies

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered high probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contacts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the consolidated statements of financial position.

18 Trade and other receivables, deposits and prepayments

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables			
Trade receivables from property management and property investment business	11,636	6,409	7,227
Less: loss allowance	(11,117)	(5,418)	(5,025)
Total trade receivables, net	519	991	2,202
Other receivables and deposits			
Advances to staff for business purpose	1,589	1,691	1,550
Rental receivables	33,409	55,397	79,723
Other receivables and deposits	17,102	28,981	10,640
Less: loss allowance	—	(14,916)	—
	52,100	71,153	91,913
	52,619	72,144	94,115

At 31 December 2022, 2023 and 2024, the Target Group's trade receivables with carrying values of HK$9,028,000, HK$5,416,000 and HK$6,018,000 were pledged to secure general banking facilities granted to the Target Group respectively.

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

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Aged:			
0 to 60 days	302	545	1,802
61 to 180 days	198	355	391
Over 181 days	11,136	5,509	5,034
	11,636	6,409	7,227

Accounting policies

(i) Classification of trade receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Target Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less provision for impairment.

When trade receivables are uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the consolidated statements of profit or loss.

(ii) Impairment assessment and risk exposure

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

The Target Group applies simplified approach to provide for ECL for trade receivables prescribed by HKFRS 9. Details of the ECL of trade receivables, other receivables and deposits, and the Target Group's exposure to credit risk and foreign currency risk were disclosed in Note 3.1.

19 Cash and cash equivalents

Bank balances carry interest at prevailing market rates which range from 0.01% to 0.3%, 0.01% to 0.25% and 0.01% to 0.25%, per annum respectively as at 31 December 2022, 2023 and 2024.

At the end of the reporting period, the Target Group has the following cash and bank balances denominated in foreign currencies of the relevant group entities:

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
USD	241	241	241
HK$	234	133	114
RMB	90,921	31,477	81,849
	91,396	31,851	82,204

Details of ECL on bank deposits and cash and cash equivalents are set out in Note 3.1. Details of the relevant accounting policies are set out in Note 30.5.

20 Trade and other payables

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	99	1,346	720
Accruals for construction work	404,220	312,791	273,901
Deposits received for rental	20,799	68,700	92,424
Advance lease payments	12,074	46,282	31,059
Contract liabilities	2,831	6,780	6,050
Other tax payables	25,619	24,042	24,381
Salaries payable and staff welfare payables	1,614	1,577	1,388
Other payables and accrued charges	25,158	24,849	23,356
	492,414	486,367	453,279

Trade payables are unsecured and are usually settled within the contract terms. The carrying amounts of trade payables are considered to be the same as their fair values. The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Aged:			
0 to 90 days	—	611	338
91 to 180 days	—	279	—
181 to 360 days	—	178	275
Over 360 days	99	278	107
	99	1,346	720

21 Bank and other borrowings

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Bank borrowings - secured	2,787,350	2,697,387	2,177,684
Other borrowings - unsecured	96,998	95,379	93,987
	2,884,348	2,792,766	2,271,671
The carrying amounts of the above borrowings are repayable:			
Within one year	95,519	139,192	485,183
Within a period of more than one year but not exceeding two years	145,513	134,869	102,576
Within a period of more than two years but not exceeding five years	436,540	427,086	359,015
Over five years	2,206,776	2,091,619	1,324,897
	2,884,348	2,792,766	2,271,671
Less: Amount classified as current liabilities	(95,519)	(139,192)	(485,184)
Amount due after one year and classified as non-current liabilities	2,788,829	2,653,574	1,786,487

(i) Bank borrowings

As at 31 December 2022, 2023 and 2024, bank borrowings denominated in RMB of HK$2,787,350,000, HK$2,697,387,000 and HK$2,177,684,000 carried interest at benchmark interest rate as stipulated by Loan Prime Rate ("LPR") minus 40 basis points.

The interest rates of bank borrowings as at the end of the years ended 31 December 2022, 2023 and 2024 for the loans range from 3.9% to 4.2%, 3.8% to 3.9% and 3.2% to 3.6% per annum, respectively.

As at 31 December 2022, 2023 and 2024, other borrowings denominated in RMB of HK$96,998,000, HK$95,379,000 and HK$93,987,000 carried interest at a fixed interest rate of 10%.

At 31 December 2022, 2023 and 2024, below assets were pledged respectively to banks to secure general banking facilities granted to the Target Group:

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment	125,677	134,260	127,908
Investment properties	6,529,361	5,835,204	4,153,172
Completed properties held for sale	1,831,047	1,810,403	1,924,600
Assets classified as held for sale	—	—	911,265
Trade receivables	9,028	5,416	6,018

As at 31 December 2022, 2023 and 2024, the Group has the following undrawn borrowing facilities:

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Expiring within one year	—	588,571	—

(ii) Other financial liabilities

Shanghai Bund de Rockefeller Group Master Development Co. Ltd. ("Shanghai Rockefeller"), a subsidiary of the Target Company in PRC, has entered into a fund arrangement with an assets management company, pursuant to which the assets management company injected fund to Shanghai Rockefeller. 9.04% of equity interest in Shanghai Rockefeller was held by the assets management company as collateral of which the Target Group is obligated to redeem at predetermined prices. The funds bear fixed interest rate of 10% per annum and repayable in 2065. The Target Group has contractual obligation to repay the loans and thus the funds injected were classified as liabilities in the consolidated statements of financial position. As at 31 December 2022, 2023 and 2024, the other borrowings amounted to HK$96,998,000, HK$95,379,000 and HK$93,987,000 respectively.

(iii) Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statements of profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Target Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Target Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Target Group is required to comply with after the reporting period do not affect the classification at the reporting date.

22 Deferred tax liabilities

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
The balance comprises temporary differences attributable to:			
— Fair value change on investment properties	(665,379)	(521,456)	(415,307)
— Withholding tax on interest income	(25,411)	(28,587)	(31,763)
— Effective rent	(8,493)	(13,848)	(19,929)
Total deferred income tax liabilities	(699,283)	(563,891)	(466,999)
Set-off with deferred income tax assets pursuant to set-off provisions	74,238	106,173	21,373
	(625,045)	(457,718)	(445,626)

Movements of deferred income tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

	Fair value change on investment properties	Withholding tax on interest income	Effective rent	Tax losses	ECL provision	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2022	(512,354)	(22,235)	(3,992)	88,623	2,474	(447,484)
Currency realignment	47,914	—	487	(7,196)	(225)	40,980
(Charged)/credited to consolidated profit or loss	(200,939)	(3,176)	(4,988)	(9,968)	530	(218,541)
As at 31 December 2022 and 1 January 2023	(665,379)	(25,411)	(8,493)	71,459	2,779	(625,045)
Currency realignment	10,297	—	163	(1,321)	(42)	9,097
Credited/(charged) to consolidated profit or loss	133,626	(3,176)	(5,518)	34,682	(1,384)	158,230
As at 31 December 2023 and 1 January 2024	(521,456)	(28,587)	(13,848)	104,820	1,353	(457,718)
Currency realignment	6,373	—	266	(689)	(20)	5,930
Credited/(charged) to consolidated profit or loss	99,776	(3,176)	(6,347)	(84,162)	71	6,162
As at 31 December 2024	(415,307)	(31,763)	(19,929)	19,969	1,404	(445,626)

As at 31 December 2022, 2023 and 2024, deferred tax liabilities has not been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of PRC subsidiaries of the Target Group amounting to approximately HK$2,390,337,000, HK$1,784,241,000 and HK$1,826,926,000, respectively, as the Target Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

As at 31 December 2022, 2023 and 2024, the Target Group did not recognise deferred income tax assets of HK$4,577,000, HK$7,677,000 and HK$7,688,000, respectively, in respect of the tax losses which can be carried forward against future taxable income and the expiration periods as below:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Within 1 year	—	1,390	749
Within 2 years	1,413	760	8,183
Within 3 years	773	8,305	7,440
Within 4 years	8,445	7,550	12,517
Within 5 years	7,678	12,703	1,862
	18,309	30,708	30,751

23 Share capital

	Number of shares	Amount
		HK$'000
Shares of USD1 each		
Authorised:		
As at 1 January 2022, 31 December 2022, 2023 and 2024	50,000	400
Issued and fully paid:		
As at 1 January 2022, 31 December 2022, 2023 and 2024	1,000	8

Ordinary shares of the Target Company

Under the investment agreement dated 30 November 2005 entered into by, among others, RSI, the Target Company and Sinolink SH ("**Investment Agreement**"), there are three classes of shares in the Target Company, namely Series A Shares, Series B Shares and Series C Shares. As at 31 December 2022, 2023 and 2024, 510 Series A Shares and 490 Series B Shares were issued and fully paid.

Shareholder voting rights

Series A Shares entitle the holder to appoint 4 directors and Series B Shares entitle the holder to appoint 3 directors, each director having one vote at a boarding meeting of the Target Company.

With regard to voting at shareholder level, Series B Shares and Series C Shares carry full voting rights. Series A Shares allow the holder to vote at shareholder level in respect of certain prescribed matters paramount to the holder in connection with the project held by the Target Group.

Shareholder rights to distributions

Series A Shares entitle the holder to a special dividend totaling US$6,000,000 (equivalent approximately to HK$46,500,000). The special dividend is payable on a cumulative preference basis out of the distributable cash of the Target Company remaining in each year until the US$6,000,000 is paid in full. The special dividend is classified as equity as the distribution of special dividend is at Target Company's discretion.

Shareholder rights on return of capital

On a return of capital, the holders of the Series A Shares, Series B Shares and Series C Shares shall each be entitled to share in any surplus assets of the Target Company being returned to shareholders in proportion to funding advanced by each of the shareholders, whether by equity subscription or shareholder loans up to the investment amount. The Series A Shares, Series B Shares and Series C Shares are classified as equity as the return of capital is at Target Company's discretion.

24 Commitments

Saved as disclosed elsewhere in the Historical Financial Information, the Target Group has following capital commitment at the end of the reporting period.

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Commitments in respect of completed properties for sale:			
- contracted for but not provided in the Historical Financial Information	5,785	8,954	8,045

25 Operating lease commitments

The Target Group as lessor

The Target Group has lease payments receivable on leases are as follows:

	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Within one year	160,393	189,465	179,838
In the second year	130,059	185,432	85,292
In the third year	113,358	44,119	10,147
In the fourth year	5,355	7,444	15,686
In the fifth year	5,838	319	1,891
After five years	334	—	—
	415,337	426,779	292,854

Operating lease payments represent rentals receivable by the Target Group from leasing of its investment properties. As at 31 December 2022, 2023 and 2024, the leases are negotiated and rentals are fixed for original lease term of 1 to 10 years respectively. Certain leases include rentals received with reference to turnover of tenants.

26 Notes to consolidated statements of cash flows

(a) Reconciliation of profit/(loss) before tax to cash generated from operations

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Profit/(loss) before income tax	348,195	(1,270,708)	(642,894)
Adjustments for:			
Depreciation of property, plant and equipment	5,089	5,495	5,815
Interest income	(1,154)	(719)	(1,799)
Interest expenses	457,717	773,044	770,428
Impairment losses/(reversal of) impairment losses on financial assets, net	2,122	9,438	(15,290)
Fair value changes on investment properties	(678,334)	577,735	48,407
Gain on disposal of property, plant and equipment	(165)	(14)	—
Share of results of investments accounted for using the equity method	—	—	196
	133,470	94,271	164,863
Operating cash flows before movements in working capital			
Increase in stock of properties	(331,250)	(6,975)	(121,128)
Decrease/(increase) in trade and other receivables, deposits	11,580	(8,035)	(9,566)
Increase/(decrease) in trade payables, deposits received and accrued charges	277,227	53,726	(31,697)
Increase in amounts due to related parties	—	1,159	2,885
Cash generated from operations	91,027	134,146	5,357

(b) Proceeds from disposal of property, plant and equipment comprise:

	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Net book amounts	172	80	—
Gain on disposal of property, plant and equipment	165	14	—
Proceeds from disposal of property, plant and equipment	337	94	—

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Target Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Target Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings
	HK$'000
As at 1 January 2022	3,061,286
Drawdown of bank borrowings	152,599
Repayments of bank borrowings	(70,812)
Currency realignment	(258,725)
As at 31 December 2022 and 1 January 2023	2,884,348
Drawdown of bank borrowings	79,038
Repayments of bank borrowings	(122,568)
Currency realignment	(48,052)
As at 31 December 2023 and 1 January 2024	2,792,766
Repayments of bank borrowings	(488,259)
Currency realignment	(32,836)
As at 31 December 2024	2,271,671

27 List of subsidiaries

Name of company	Place of incorporation/ establishment and form of business structure	Principal place of operation	Percentage of equity interest attributable to the Target Group 2022	2023	2024	Issued and fully paid up share capital/ registered capital	Principal activities
Interest directly held by the Target Company							
Rockefeller Group WTY-I Development SRL	British Virgin Islands	British Virgin Islands	100%	100%	100%	USD1,000	Investment holding
Interest indirectly held by the Target Company							
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. 上海洛克菲勒集團外灘源綜合開發有限公司	PRC — limited liability company	PRC	100%	100%	100%	USD 125,000,000	Property development and property investment
Shanghai Rock Bund Source Property Management Co., Ltd. 上海洛克外灘源物業管理有限公司	PRC — limited liability company	PRC	100%	100%	100%	RMB 5,000,000	Property management
Shanghai Rock Bund Source Art Products Co., Ltd. 上海洛克外灘源美術品有限公司	PRC — limited liability company	PRC	100%	100%	100%	RMB 5,000,000	Art purchase, design and exhibition

Except for the investment holding companies or dormant companies which have no definite place of operation, all the above subsidiaries operate principally in their respective place of incorporation/establishment.

None of the subsidiaries had issued any debt securities at the end of the year.

28 Related party transactions

The major related parties that had transactions with the Target Group were as follows:

Name of related parties	Relationship with the Target Group
Sinolink Shanghai Investments Limited ("Sinolink Shanghai")	Shareholder of the Target Company
上海百仕達西郊地產發展有限公司	Related party of the Target Company
香港百仕達有限公司	Related party of the Target Company
深圳市百仕達資訊諮詢有限公司	Related party of the Target Company

The following is a summary of significant related party transactions which, in the opinion of the directors, are entered into in the ordinary course of business between the Target Group and its related parties, and the balances arising from related party transactions.

(a) Transactions

Name of related party	Nature of transaction	Year ended 31 December 2022	2023	2024
		HK$'000	*HK$'000*	*HK$'000*
Sinolink Shanghai Investments Limited ("Sinolink Shanghai")	Project management fee	26,195	26,195	—

The transactions were entered into at prices and terms mutually agreed by the relevant parties.

(b) Year-end balances with related parties

	As at 31 December 2022	2023	2024	Nature
	HK$'000	*HK$'000*	*HK$'000*	
Amounts due from a related party:				
上海百仕達西郊地產發展有限公司	157	154	—	Non-trade

The balance was unsecured, interest free and repayable on demand. This balance was denominated in RMB.

	As at 31 December 2022	2023	2024	Nature
	HK$'000	*HK$'000*	*HK$'000*	
Amount due to related parties:				
深圳市百仕達資訊諮詢有限公司	—	21,883	—	Non-trade
香港百仕達有限公司	115	1,044	3,718	Non-trade
	115	22,927	3,718	

The balance was unsecured, interest free and repayable on demand. This balance was denominated in HK$.

Amounts due to a shareholder — Non-current:				
Sinolink Shanghai Investments Limited ("Sinolink Shanghai") (note i)	6,328,869	6,604,994	6,881,119	Non-trade
Amounts due to a shareholder — Current:				
Sinolink Shanghai (note ii)	364,656	393,646	382,345	Trade

Note i: The amounts represent a shareholder's loans payable for financing the Target Group's property development and property investment project, which carry a 20% coupon interest rate per annum. The balance was denominated in USD, unsecured and has no fixed term of repayment which will not be repayable within one year from the end of the reporting period, they were classified as non-current liabilities accordingly.

Note ii: The balance was denominated in USD, unsecured and repayable on demand.

29 Contingent liabilities

As at 31 December 2022, 2023 and 2024, the Target Group did not have any contingent liabilities.

30 Summary of other accounting policies

This note provides a list of other accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Target Group consisting of the Target Company and its subsidiaries.

30.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Target Group has control. The Target Group controls an entity where the Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

(b) Associates

Associates are all entities over which the Target Group has significant influence but not control or joint control. This is generally the case where the Target Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

Gains or losses on deemed disposal on dilution arising from interests in associated companies are recognised in the consolidated statements of profit or loss.

The Target Group ceases to use the equity method from the date an investment ceases to be an associated company that is the date on which the Target Group ceases to have significant influence over the associated company or on the date it is classified as held for sale.

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Target Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Target Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint venture are recognised as a reduction in the carrying amount of the investment.

Where the Target Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Target Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Target Group and its associates and joint venture are eliminated to the extent of the Target Group's interest in these associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 30.4.

(d) Changes in ownership interests

The Target Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Target Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Target Company.

When the Target Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

30.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Historical Financial Information are presented in Hong Kong dollar ("HK$"), which is the Target Company's presentation currency while United States Dollar ("USD") is the functional currency of the Target Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in consolidated statements of profit or loss.

All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within "other losses, net".

(c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

30.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Target Group and the cost of the assets can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statements of profit or loss during the reporting period in which they are incurred.

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 30.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and these are included in the consolidated statements of profit or loss.

30.4 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

30.5 Investments and other financial assets

(a) Classification

The Target Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statements of profit or loss or other comprehensive income.

The Target Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Target Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Target Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Target Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Target Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Target Group classifies its debt instruments:

- Amortised cost

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised in the consolidated statements of profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated statement of profit or loss and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss.

- FVTOCI

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in consolidated statements of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to consolidated statements of profit or loss and recognised in "other losses, net". Interest income from these financial assets is recognised in the consolidated statements of profit or loss using the effective interest rate method. Foreign exchange gains and losses are presented in "other losses, net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss.

- FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statements of profit or loss and presented net in the period in which it arises.

Equity instruments

The Target Group subsequently measures all equity investments at fair value. Where the Target Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to consolidated statements of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statements of profit or loss when the Target Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the consolidated statements of profit or loss as applicable. Investments in equity instruments at FVTOCI are not subject to impairment assessment.

(d) Impairment of financial assets

The Target Group's financial assets measured at amortised cost, including trade receivables arising from contracts with customers, loans receivables, finance lease receivables, other receivables and deposits, bank deposits, pledged bank deposits, cash and bank balances, and other items (financial guarantee contracts) are subject to Expected Credit Loss ("ECL") model under HKFRS 9 "Financial Instruments" ("HKFRS 9").

For trade receivables and finance lease receivables, the Target Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision.

For all other instruments, the Target Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Target Group recognises lifetime expected credit loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1 details how the Target Group determines whether there has been a significant increase in credit risk.

30.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

30.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

30.8 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

30.9 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

30.10 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

30.11 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Target Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Target Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through use.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Target Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

30.12 Employee benefits

(a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Target Group pays contributions into a separate entity. The Target Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans, including the employee pension schemes established by municipal government in The People's Republic of China ("PRC") are expensed as incurred. Contributions are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions, where applicable.

The obligations are presented as current liabilities in the consolidated statements of financial position if the Target Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

30.13 Provisions

Provisions are recognised when the Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

30.14 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Target Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

30.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Target Group's activities. Revenue is shown, net of value-added tax. The Target Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Target Group's activities, as described below.

The Target Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Group's performance as the Target Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Target Group performs; or

- the Target Group's performance does not create an asset with an alternative use to the Group and the Target Group has an enforceable right to payment for performance completed to date.

30.16 Contract liabilities

Upon entering into a contract with a customer, the Target Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceed the measure of the remaining rights.

Contract liabilities are recognised as revenue when the Target Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

30.17 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

30.18 Dividend income

Dividends are recognised as other income in the statement of profit or loss when the right to receive payment is established.

30.19 Leases

The Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group leases various properties. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs; and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company or any of its subsidiaries in respect of any period subsequent to 31 December 2024.

*Set out below is the management discussion and analysis of RGAP and its subsidiaries (together, the "**RGAP Group**") for the years ended December 31, 2022, 2023 and 2024, which is based on the financial information of RGAP as set out in the accountant's report in Appendix II to this circular.*

BUSINESS OVERVIEW

RGAP is an international business company incorporated in the BVI on November 5, 2004. RGAP Group principally engages in the property development, property management and property investment business. The flagship project managed and operated by RGAP Group is the RockBund Project.

The RockBund Project is a landmark development situated in the heart of Shanghai, designed to set a new standard in urban living and commercial excellence. This project will feature a blend of residential, commercial, and recreational spaces, offering a vibrant and integrated community experience. With the construction of the residential area already completed, RGAP Group is now focusing on enhancing the infrastructure and amenities that will define this development and the construction of the commercial area. The entire project had gradually commenced operations following completion of the construction in 2023.

FINANCIAL REVIEW

FOR THE YEAR ENDED DECEMBER 31, 2022

Revenue and profit

For the year ended December 31, 2022, RGAP had revenue of approximately HK$221.6 million. The revenue was mainly attributed to rental income and property management fee income from the developed commercial and recreational areas of the RockBund Project of approximately HK$201.9 million and HK$19.7 million, respectively.

RGAP's total expenses amounted to approximately HK$84.6 million for the year ended December 31, 2022. Save for depreciation on property, plant and equipment and tax, RGAP's expenses mainly comprised staff costs and marketing expenses amounting to approximately HK$16.5 million and HK$14.5 million, respectively.

RGAP recorded profit for the year of approximately HK$129.6 million for the year ended December 31, 2022, primarily attributable to its gross profit of approximately HK$204.3 million and significant fair value gains on investment properties of approximately HK$678.3 million, which is being offset by finance costs of approximately HK$457.7 million.

Liquidity, financial resources, gearing ratio and treasury policy

RGAP's operations were primarily funded with its own capital, facilities provided by its shareholder and external bank borrowings. As at December 31, 2022, RGAP's cash and cash equivalents were approximately HK$91.4 million, and RGAP's amounts due to a shareholder (Sinolink Shanghai Investments Limited), bank borrowings and other borrowings were approximately HK$6,693.5 million, HK$2,787.4 million and HK$97.0 million, respectively.

As of December 31, 2022, the net liabilities of RGAP were approximately HK$2,070.8 million, in which bank borrowings within one year was approximately HK$95.5 million. RGAP had generated approximately HK$91.0 million of cash from its operations for the year ended December 31, 2022 and by excluding other borrowings of HK$97 million, which is repayable in 2065, and amounts due to a shareholder of HK$6,693.5 million, RGAP was in a position of net assets of approximately HK$4,719.7 million as of December 31, 2022.

RGAP has a shareholders' deficit and hence gearing ratio was not applicable.

RGAP has established treasury policies to manage its capital resources and mitigate potential risks, with the objective of lowering the cost of funds. The management of RGAP continued to evaluate and closely monitor the borrowing portfolio, securing the most advantageous rates and favourable terms from external banks for its financing, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Contingent liabilities

As of December 31, 2022, RGAP did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

RGAP had no significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2022.

Capital structure

As of December 31, 2022, RGAP had total liabilities of approximately HK$10,702.8 million, which mainly comprised amount(s) due to a shareholder (Sinolink Shanghai Investments Limited) of HK$6,693.5 million, and total shareholders' deficit of approximately HK$2,070.7 million. The significant shareholders' deficit was mainly due to the accumulated losses incurred since the commencement of development of the RockBund Project and delay in construction process. RGAP expects an improvement in performance in the foreseeable future after the commencement of the operations of the entire RockBund Project.

Fair value gains on investment properties

For the year ended December 31, 2022, RGAP recorded significant fair value gains on investment properties of approximately HK$678.3 million.

Finance costs

For the year ended December 31, 2022, RGAP recorded finance costs of HK$457.7 million. Total finance costs before capitalisation in properties under development was approximately HK$623.9 million, which is mainly attributable to interest on bank and other borrowings of approximately HK$144.4 million and interest on amounts due to a shareholder of approximately HK$479.5 million.

FOR THE YEAR ENDED DECEMBER 31, 2023

Revenue and loss

For the year ended December 31, 2023, RGAP had revenue of approximately HK$203.1 million, which was a slight decrease as compared to the revenue recorded for the same period in 2022 of approximately HK$221.6 million. The revenue was mainly attributed to rental income and property management fee income from the developed commercial and recreational areas of the RockBund Project of approximately HK$183.0 million and HK$20.1 million, respectively.

RGAP's total expenses amounted to approximately HK$113.9 million for the year ended December 31, 2023. Save for depreciation on property, plant and equipment and tax, RGAP's expenses mainly comprised staff costs, project management fees and marketing expenses amounting to approximately HK$16.3 million, HK$26.2 million and HK$17.6 million, respectively. RGAP's total expenses increased as compared to the same period in 2022 mainly due to the management fee expensed due to the completion and commencement of the operations of the entire RockBund Project.

RGAP recorded loss for the year of approximately HK$1,112.5 million for the year ended December 31, 2023, turning around from the profit for the year of approximately HK$129.7 million for the year ended December 31, 2022. Such turnaround was primarily attributable to significant fair value losses on investment properties of approximately HK$577.7 million.

Liquidity, financial resources, gearing ratio and treasury policy

RGAP's operations were primarily funded with its own capital, facilities provided by its shareholder and external bank borrowings. As at December 31, 2023, RGAP's cash and cash equivalents were approximately HK$31.9 million, and RGAP's amounts due to a shareholder (Sinolink Shanghai Investments Limited), bank borrowings and other borrowings were approximately HK$6,998.6 million, HK$2,697.4 million and HK$95.4 million, respectively.

As of December 31, 2023, the net liabilities of RGAP were approximately HK$2,876.4 million, in which bank borrowings payable within one year was approximately HK$139.2 million. RGAP generated approximately HK$134.1 million in cash from its operations for the year ended December 31, 2023 and by excluding other borrowings of HK$95.4 million, which is repayable in 2065, and amounts due to a shareholder of HK$6,998.6 million, RGAP was in a position of net assets of approximately HK$4,217.6 million as of December 31, 2023.

RGAP has a shareholders' deficit and hence gearing ratio was not applicable.

RGAP has established treasury policies to manage its capital resources and mitigate potential risks with the objective of lowering the cost of funds. The management of RGAP continued to evaluate and closely monitor the borrowing portfolio, securing the most advantageous rates and favourable terms from external banks for its financing, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Contingent liabilities

As of December 31, 2023, RGAP did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

RGAP had no significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2023.

Capital structure

As of December 31, 2023, RGAP had total liabilities of approximately HK$10,765.7 million, which mainly comprised amount(s) due to a shareholder (Sinolink Shanghai Investments Limited), and total shareholders' deficit of approximately HK$2,876.4 million. The significant shareholders' deficit was mainly due to the accumulated losses incurred since the commencement of development of the RockBund Project and delay in construction process. RGAP expects an improvement in performance in the foreseeable future after the commencement of the operations of the entire RockBund Project.

Fair value losses on investment properties

For the year ended December 31, 2023, RGAP recorded significant fair value losses on investment properties of HK$577.7 million, turning around from the fair value gains on investment properties of HK$678.3 million for the year ended December 31, 2022.

Finance costs

For the year ended December 31, 2023, RGAP recorded finance costs of HK$733.0 million, representing an approximately 60.1% increase from the finance costs of HK$457.7 million for the year ended December 31, 2022. In year ended December 2022, there was approximately HK$166.1 million in finance costs capitalized in properties under development. By excluding the capitalisation effect, finance costs increased by 17.5%.

FOR THE YEAR ENDED DECEMBER 31, 2024

Revenue and loss

For the year ended December 31, 2024, RGAP had revenue of approximately HK$265.8 million, representing an approximately 30.9% increase as compared to the revenue recorded for the same period in 2023 of approximately HK$203.1 million. The revenue was mainly attributed to rental income and property management fee income from the developed commercial and recreational areas of the RockBund Project of approximately HK$238.9 million and HK$26.9 million respectively. Such increase in revenue was primarily due to the entire RockBund Project gradually commencing operations following completion of the construction and increasing the occupancy rate as compared to the same period in 2023.

RGAP's total expenses amounted to approximately HK$103.6 million for the year ended December 31, 2024. Save for depreciation on property, plant and equipment and tax, RGAP's expenses mainly comprised staff costs and marketing expenses amounting to approximately HK$18.4 million and HK$15.3 million respectively. RGAP's total expenses increased by approximately 9.1% as compared to the same period in 2023, primarily due to the increase in real estate tax of approximately HK$12.2 million which was driven by the increase in the occupancy rate and in line with the increase in the rental income due to the completion and commencement of entire RockBund Project.

RGAP recorded loss for the year of approximately HK$709.4 million for the year ended December 31, 2024, representing an approximately 36.2% decrease from the loss for the year of approximately HK$1,112.5 million for the year ended December 31, 2023. Such decrease was primarily attributable to the significant decrease in fair value losses on investment properties and slight decrease in finance costs.

Liquidity, financial resources, gearing ratio and treasury policy

RGAP's operations were primarily funded with its own capital, facilities provided by its shareholder and external bank borrowings. As of December 31, 2024, RGAP's cash and cash equivalents were approximately HK$82.2 million, and RGAP's amounts due to a shareholder (Sinolink Shanghai Investments Limited), bank borrowings and other borrowings were approximately HK$7,263.5 million, HK$2,177.7 million and HK$94.0 million, respectively.

As of December 31, 2024, the net liabilities of RGAP were approximately HK$3,214.4 million, in which bank borrowings payable within one year was approximately HK$485.2 million. RGAP had generated approximately HK$5.4 million in cash from its operations for the year ended December 31, 2024 and by excluding other borrowings of HK$94.0 million, which is repayable in 2065, and amounts due to a shareholder of HK$7,263.5 million, RGAP was in a position of net assets of approximately HK$4,143.1 million as of December 31, 2024.

RGAP has a shareholders' deficit and hence gearing ratio was not applicable.

RGAP has established treasury policies to manage its capital resources and mitigate potential risks, with the objective of lowering the cost of funds. The management of RGAP continued to evaluate and closely monitor the borrowing portfolio, securing the most advantageous rates and favourable terms from external banks for its financing, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Contingent liabilities

As of December 31, 2024, RGAP did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

RGAP had no significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

Capital structure

As of December 31, 2024, RGAP had total liabilities of approximately HK$10,516.9 million, which mainly comprised amount(s) due to a shareholder (Sinolink Shanghai Investments Limited), and total shareholders' deficit of approximately HK$2,921.3 million. The significant shareholders' deficit was mainly due to the accumulated losses incurred since the commencement of development of the RockBund Project and delay in construction process. RGAP expects an improvement in performance in the foreseeable future after the commencement of the operations of the entire RockBund Project.

Fair value losses in investment properties

For the year ended December 31, 2024, RGAP recorded fair value losses in investment properties of HK$48.4 million, representing an approximately 91.6% decrease from the fair value losses in investment properties of HK$577.7 million for the year ended December 31, 2023. Such decrease was mainly attributable to the improvement of property rental in the RockBund Project and optimism in the Shanghai property market.

Finance costs

For the year ended December 31, 2024, RGAP recorded finance costs of approximately HK$770.4 million, remaining stable as compared to the finance costs of approximately HK$773.0 million for the year ended December 31, 2023.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of December 31, 2024, RGAP did not have any future plan for material investments or capital assets.

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. RGAP does not have a foreign currency hedging policy as RGAP mainly operates and trades domestically in RMB, and is therefore not exposed to currency risk currently. However, the directors of RGAP monitor RGAP's foreign exchange exposure and movements in foreign currency rates closely and may, depending on the circumstances and trend of foreign currency, consider adopting an appropriate foreign currency hedging policy in the future.

COMMITMENTS

As of December 31, 2024, RGAP had commitments of approximately HK$8.0 million in respect of properties under development.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2024, RGAP had approximately 55 full-time employees for its principal business activities. RGAP recognizes the importance of high-caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Various other benefits, such as medical and retirement benefits, are also provided.

CHARGE ON ASSETS

As of December 31, 2022, 2023 and 2024, completed properties held for sale of HK$1,831,047,000, HK$1,810,403,000 and HK$1,924,600,000 of RGAP were pledged as securities for bank borrowings respectively.

As of December 31, 2022, 2023 and 2024, property, plant and equipment of HK$125,677,000, HK$134,260,000 and HK$127,908,000 of RGAP were pledged as securities for bank borrowings respectively.

As of December 31, 2022, 2023 and 2024, RGAP's investment properties and assets classified as held for sale with carrying values of HK$6,529,361,000, HK$5,835,204,000 and HK$5,064,437,000 (including assets classified as held for sale of HK$911,265,000) were pledged to secure general banking facilities granted to RGAP respectively.

The secured bank borrowings and general banking facilities were mainly used for the development of the RockBund Project.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma consolidated statement of assets and liabilities ("Unaudited Pro Forma Financial Information") of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (the "Group") and Rockefeller Group Asia Pacific Inc. (the "Target Company") and its subsidiaries (the "Target Group") (hereinafter collectively referred to as the "Enlarged Group") which have been prepared on the basis of the notes set out below and in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects on the assets and liabilities of the Enlarged Group as if the acquisition by the Group of the Target Group (the "Transaction") had taken place on 30 June 2024.

The Unaudited Pro Forma Financial Information as at 30 June 2024 has been prepared based on (i) the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2024, which has been extracted from the Group's published interim report; and (ii) the consolidated statement of financial position of the Target Group as at 31 December 2024, which has been derived from the historical financial information included in the accountant's report as set out in Appendix II to this circular; and (iii) the pro forma adjustments prepared to reflect the effects of the Transaction as explained in the notes set out below that are directly attributable to the acquisition and not relating to future events or decisions and are factually supportable.

The Unaudited Pro Forma Financial Information has been prepared under accounting policies consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 December 2023.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors of the Company for illustrative purposes only and is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the acquisition taken place as at 30 June 2024 or any future date.

(I) UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AS AT 30 JUNE 2024

	The Group as at 30 June 2024	The Target Group as at 31 December 2024					The Enlarged Group as at 30 June 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3(a)*	*Note 3(b)*	*Note 3(c)*	*Note 4*	
ASSETS							
Non-current assets							
Property, plant and equipment	193,551	132,485	63,721	—	—	—	389,757
Investment properties	2,190,875	4,153,172	—	—	—	—	6,344,047
Investments accounted for using the equity method	2,287,408	4,658	(4,658)	—	—	—	2,287,408
Equity instruments at FVTOCI	1,178,808	—	—	—	—	—	1,178,808
Amounts due from an investment accounted for using the equity method at FVTPL	—	—	—	—	—	—	—
Loan receivable from an investment accounted for using the equity method at FVTPL	—	—	—	—	—	—	—
Loan receivables	160,278	—	—	—	—	—	160,278
Other financial assets at FVTPL	304,561	—	—	—	—	—	304,561
Pledged bank deposits	411,829	—	—	—	—	—	411,829
Bank deposits	95,290	—	—	—	—	—	95,290
Other receivables	195,707	—	—	—	—	—	195,707
Deferred tax assets	15,394	—	—	—	—	—	15,394
Total non-current assets	7,033,701	4,290,315	59,063	—	—	—	11,383,079
Current assets							
Stock of properties	870,701	1,924,600	177,862	—	—	—	2,973,163
Trade and other receivables, deposits and prepayments	150,035	94,115	—	—	—	—	244,150
Loan receivables	169,248	—	—	—	—	—	169,248
Other financial assets at FVTPL	7,012	—	—	—	—	—	7,012
Pledged bank deposits	1,227,382	—	—	—	—	—	1,227,382
Bank deposits	318,729	—	—	—	—	—	318,729
Cash and cash equivalents	710,074	82,204	—	—	(15,560)	(3,224)	773,494
Current assets excluding assets classified as held for sale	3,453,181	2,100,919	177,862	—	(15,560)	(3,224)	5,713,178
Assets classified as held for sale	—	911,265	—	—	—	—	911,265
Total current assets	3,453,181	3,012,184	177,862	—	(15,560)	(3,224)	6,624,443
Total assets	10,486,882	7,302,499	236,925	—	(15,560)	(3,224)	18,007,522

	The Group as at 30 June 2024	The Target Group as at 31 December 2024					The Enlarged Group as at 30 June 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3(a)*	*Note 3(b)*	*Note 3(c)*	*Note 4*	
LIABILITIES							
Non-current liabilities							
Lease liabilities	4,827	—	—	—	—	—	4,827
Deferred tax liabilities	557,563	445,626	72,924	—	—	—	1,076,113
Bank and other borrowings	—	1,786,487	(54,769)	—	—	—	1,731,718
Amount due to a shareholder	—	6,881,119	—	(6,881,119)	—	—	—
Total non-current liabilities	562,390	9,113,232	18,155	(6,881,119)	—	—	2,812,658
Current liabilities							
Trade and other payables, deposits received and accrued charges	437,597	453,279	—	—	—	—	890,876
Amount due to a shareholder	—	382,345	—	(382,345)	—	—	—
Amount due to related parties	—	3,718	—	—	—	—	3,718
Contracts liabilities	10,825	—	—	—	—	—	10,825
Income tax payable	769,034	79,142	—	—	—	—	848,176
Bank and other borrowings	1,684,287	485,184	—	—	—	—	2,169,471
Lease liabilities	1,586	—	—	—	—	—	1,586
	2,903,329	1,403,668	—	(382,345)	—	—	3,924,652
Total liabilities	3,465,719	10,516,900	18,155	(7,263,464)	—	—	6,737,310
Net assets/(net liabilities)	7,021,163	(3,214,401)	218,770	7,263,464	(15,560)	(3,224)	11,270,212

(II) NOTES TO THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

Note 1:

The amounts are extracted from the unaudited interim condensed statement of financial position of the Group as at 30 June 2024 as set out in its published interim report for the six months ended 30 June 2024.

Note 2:

The amounts are extracted from the consolidated statement of financial position of the Target Group as at 31 December 2024 as set out in Appendix II to this Circular.

Note 3:

Upon completion of the Transaction, the Target Group will become indirect wholly-owned subsidiary of the Company. The identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Group at their fair value under the acquisition method in accordance with Hong Kong Financial Reporting Standard 3 (Revised) "Business Combinations" ("HKFRS 3") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

(a) The adjustment represents the fair value adjustments of identified assets and liabilities assumed and corresponding impact to the deferred tax liabilities arising from purchase price allocation upon completion of the Transaction made by the directors of the Company, and by reference to the fair value as at 31 December 2024, prepared by an independent professional valuer ("Valuer").

(b) The adjustment represents the elimination of the balances of amounts due to a shareholder assuming that the Transaction had been completed on 30 June 2024.

(c) The adjustment represents the elimination of the share capital and pre-acquisition reserves of the Target Group. The Transaction will result in the Group's interest in the Target Group which raises from 49% to 100%. As a result, the assets and liabilities of the Target Group will be consolidated into the consolidated statement of financial position of the Group. Gain on bargain purchase arising from the Transaction is calculated as follows:

	HK$'000
Fair value of assets to be acquired and liabilities to be assumed:	
Property, plant and equipment	132,485
Investment properties	4,153,172
Investments accounted for using the equity method	4,658
Stock of properties	1,924,600
Trade and other receivables and deposits	94,115
Cash and cash equivalents	82,204
Assets classified as held for sale	911,265
Bank and other borrowings	(2,271,671)
Deferred tax liabilities	(445,626)
Trade and other payables	(453,279)
Amounts due to related parties	(3,718)
Income tax payable	(79,142)
Carrying amounts of the net assets of the Target Group, less amounts due to a shareholder (note i)	4,049,063
Fair value adjustments on the Target Group (note ii)	
— Property, plant and equipment	63,721
— Investments accounted for using the equity method	(4,658)
— Stock of properties	177,862
— Other borrowings	54,769
— Deferred tax liabilities	(72,924)
Fair value of net identified net assets of the Target Group	4,267,833
Less: Cash consideration (note iii)	(15,560)
Total gains arising from the business combination under HKFRS 3 (note iv)	4,252,273

(i) For the purpose of preparing the unaudited pro forma statement of assets and liabilities of the Enlarged Group, the Directors assumed that other than the property, plant and equipment, investments accounted for using the equity method, stock of properties and other borrowings, the pro forma fair value of assets and liabilities of the Target Group are the same as their respective carrying amounts as at 31 December 2024.

(ii) The adjustment represents the fair value adjustments of identified assets and liabilities assumed and corresponding impact to the deferred tax liabilities arising from purchase price allocation upon completion of the Transaction made by the directors of the Company, and by reference to the fair value as at 31 December 2024, prepared by the Valuer.

(iii) As stipulated in the Agreement, the Purchaser, a direct wholly owned subsidiary of the Company, will settle the Consideration amounted to US$2,000,000 (equivalent to approximately HK$15,560,000) in cash upon the completion of the Transaction.

(iv) The gains arising from the business combination is credited to profit or loss. The Group accounted for its interests in the Target Group as "investments accounted using the equity method" as at 30 June 2024. The investment will be derecognised at the date of completion of the Transaction. The fair value of the previously held equity interest in the Target Group by the Group at the acquisition date is estimated by the directors of the Company with reference to the fair value as at 31 December 2024 prepared by the Valuer. Actual goodwill or gain on bargain purchase arising from the Transaction depend on fair value of net identifiable assets of the Target Group and the fair value of the previously held 49% equity interests at the completion date and shall be different from the amounts calculated in the above table.

Note 4:

The adjustment represents the estimated transaction costs of approximately HK$3,224,000, which are mainly professional fee payable by the Group in connection with the Transaction.

Note 5:

Apart from the above, no other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 30 June 2024.

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of a report on the unaudited pro forma financial information of the Enlarged Group received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Sinolink Worldwide Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), and Rockefeller Group Asia Pacific, Inc. and its subsidiaries (the "Target Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2024, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages IV-1 to IV-6 of the Company's circular dated 24 March 2025, in connection with the acquisition of the Target Group (the "Transaction") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-6 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 30 June 2024 as if the Transaction had taken place at 30 June 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2024, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 24 March 2025

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the property interest of the Group as at 31 December 2024.

CUSHMAN & WAKEFIELD
戴德梁行

27th Floor
One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

24 March 2025

The Board of Directors
Sinolink Worldwide Holdings Limited
28/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

Dear Sirs,

Re: The development of the Waitanyuan — I Area, Huangpu District, Shanghai, the People's Republic of China

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions from Sinolink Worldwide Holdings Limited (the "**Company**") for us to value the captioned property (the "**Property**") held by the Company or its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have inspected the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 December 2024 (the "**Valuation Date**").

DEFINITION OF MARKET VALUE

Our valuation of the property represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION BASIS

We confirm that the valuation is undertaken in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors.

Our valuation of the Property is on an entirety interest basis.

In valuing the Property, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); Practice Note 12 of the Listing Rules.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation, we have relied on the information and advice given by the Group's PRC legal adviser (the "**Legal Adviser**"), TongLun Law Firm (上海通倫律師事務所), regarding the titles to the Property. We have prepared our valuation on the basis that the owner of the Property has an enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes of the valuation report. We have assumed that all consents, approvals and licences from relevant government authorities for the development have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

METHOD OF VALUATION

In valuing the Property, we have adopted Investment Method by capitalising the rental derived from the existing tenancies with due provision of the reversionary rental potential of the Property, and/or where appropriate, Market Comparison Method by making reference to comparable sales evidences as available on the market.

When using Investment Method, we have mainly made reference to lettings within the Property as well as other relevant comparable rental evidence of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors. The capitalisation rates adopted in our valuation are based on our analyses of the yields of properties of similar use types after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the Property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Market Comparison Method is the best method for property valuation in theory because it is a method showing what price levels that the buyers really paid for the properties in the market. However, this method has limitation for application especially in the event that relevant property transactions are few and the nature of properties are not uniform. Market Comparison Method is a method of valuation comparing the property to be assessed directly with other comparable properties which recently changed hands. These premises are generally located in the surrounding areas or in another market which are comparable to the subject property. However, because of the heterogeneous nature of property, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals, statutory notices, orders, easements, tenure, lettings, licences, particulars of occupancy, identification of land and building, site and floor plans, site and floor areas, number of parking spaces and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the copies of documents or other information provided to us by the Group and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the Property provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original Chinese editions of the documents and consult the Legal Adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the Property. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property and we have therefore relied on the advice given by the Group or the Legal Adviser regarding the interests of the Property.

SITE INSPECTION

Our valuer, Ms. Lily Li, Valuer with Master's Degree and 2 years of experience in property valuation in the PRC, inspected the exterior and, whenever possible, the interior of the Property on 14 January 2025. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Property is free of rot, infestation or any other structural defects. No test was carried out on any of the services.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi ("**RMB**"), the official currency of the PRC.

OTHER DISCLOSURE

We hereby confirm that Cushman & Wakefield Limited and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

We enclose herewith our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services
Greater China

Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
The development of the Waitanyuan — I Area, Huangpu District, Shanghai, the PRC (中華人民共和國上海市黃浦區洛克• 外灘源一期項目)	Waitanyuan — I Area (the "**Development**") is a large-scale development with a group of protected and preserved buildings and newly constructed buildings erected upon parcels of land with a total site area of approximately 17,122.80 sq m. The buildings were completed in 1930, 1932, 1936 and 2024. The Property comprises the majority portions of the Development including 13 composite buildings for retail, office, residential and carpark uses. The total gross floor area is approximately 98,161.22 sq m (see Note 2). The land use rights of the Property have been granted for respective terms of 40 years for commercial use, 50 years for office use and 70 years for residential use from 30 November 2005.	As advised by the Group, as at the Valuation Date, portions of the Property with a total leased floor area of approximately 31,703.99 sq m were leased under various tenancies at a total current monthly rent of approximately RMB10,479,997. The latest expiry date of these tenancies is 28 February 2030. The remaining portions of the Property were vacant.	RMB6,813,000,000 (RENMINBI SIX BILLION EIGHT HUNDRED AND THIRTEEN MILLION)

Notes:

(1) According to Real Estate Title Certificate No. (2018) 007417 issued by 國土資源部 (the Ministry of Natural Resources) on 15 October 2018, the land use rights of the Property comprising an attributable site area of 17,122.80 sq m have been vested in 上海洛克菲勒集團外灘源綜合開發有限公司 (Shanghai Bund de Rockefeller Group Master Development Co., Ltd ("**Shanghai Rockefeller**")) for terms of 40 years, 50 years and 70 years for commercial, office and residential uses respectively from 30 November 2005.

(2) According to 13 Shanghai Certificates of Real Estate Ownership and Certificates of Real Estate Ownership issued by 上海市房屋土地資源管理局 (the Shanghai Housing and Land Resources Administration Bureau) and 國土資源部 (the Ministry of Natural Resources), the real estate ownership of the Property comprising parcels of land with total site area of 17,122.80 sq m and a total gross floor area of 98,161.22 sq m has been vested in Shanghai Rockefeller with details as follows:

Certificate No.	Address	Issued Date	Land Use Term From	Land Use Term To	Gross Floor Area (sq m)
(2016) 005112	20 Hu Qiu Road	5 October 2016	30 November 2005	29 November 2055	1,920.50
(2009) 000629	130 Beijing Dong Road	6 March 2009	30 November 2005	30 November 2055	8,494.00
(2008) 004877	97 Yuan Ming Yuan Road	18 December 2008	30 November 2005	30 November 2045	2,545.00
(2009) 003018	115 Yuan Ming Yuan Road	30 June 2009	30 November 2005	30 November 2045	2,129.00
(2009) 000591	133 Yuan Ming Yuan Road	3 March 2009	30 November 2005	30 November 2055	5,998.09
(2009) 001457	149 Yuan Ming Yuan Road	30 April 2009	30 November 2005	30 November 2055	3,195.89
(2009) 000903	169 Yuan Ming Yuan Road	27 March 2009	30 November 2005	30 November 2045	4,306.00
(2008) 004876	185 Yuan Ming Yuan Road	18 December 2008	30 November 2005	30 November 2055	2,015.20
(2016) 001001	209 Yuan Ming Yuan Road	18 November 2016	30 November 2005	30 November 2045	3,169.58
(2009) 000902	128 Hu Qiu Road	27 March 2009	30 November 2005	30 November 2045	4,184.00
(2009) 004770	142-146 Hu Qiu Road	25 September 2009	30 November 2005	29 November 2055	5,136.00
(2024) 002944	38, 58, 68, 78 and 88 Hu Qiu Road	27 May 2024	30 November 2005	29 November 2075	37,998.73
(2022) 005216	28 Hu Qiu Road, and 108, 118 and 122 Beijing Dong Road	19 October 2022	30 November 2005	29 November 2075	17,069.23
				Total:	**98,161.22**

According to Certificate of Real Estate Ownership No. (2024) 002944 as set out above, portions of the Property situated at 38, 58, 68, 78 and 88 Hu Qiu Road are subject to retained ownership. The residential portion of the Property is held by the Group for long-term leasing purposes, and prior approval from the government housing management department is required for transfer or disposal.

According to Certificate of Real Estate Ownership No. (2022) 005216 as set out above, portions of the Property situated at 28 Hu Qiu Road, and 108, 118 and 122 Beijing Dong Road are subject to retained ownership.

(3) We have been provided with a legal opinion on the title of the Property issued by the Group's PRC legal adviser which contains, inter-alia, the following information:

(a) Shanghai Rockefeller has legally obtained the land use rights and building ownership of the Property;

(b) Shanghai Rockefeller has the rights to lawfully occupy, use, lease, mortgage of the Property and is entitled to the profits generated from the Property;

(c) Except for 38, 58, 68, 78 and 88 Ha Qiu Road and 28 Hu Qiu Road, and 108, 118 and 122 Beijing Dong Road, Shanghai Rockefeller has the rights to transfer, or otherwise dispose of the Property;

(d) The Property is subject to three mortgages in favour of Shanghai Pudong Development Banks. Details are as follows:

Property	Expiry Date	Amount
130 Beijing Dong Road, 20, 128 and 142-146 Hu Qiu Road, and 97, 115, 133, 149, 169, 185 and 209 Yuan Ming Yuen Road	30 May 2036	RMB3,000,000,000
38, 58, 68 and 88 Hu Qiu Road, 100 Beijing Dong Road	30 May 2036	RMB3,000,000,000
28 Hu Qiu Road, and 108, 118 and 122 Beijing Dong Road	30 May 2036	RMB3,000,000,000

Transfer or disposal of the Property is subject to the prior consent of the mortgagee bank. Provided that the mortgagor fulfills their obligations, the mortgagee bank should not unreasonably withhold such consent and the risk that the bank would not grant the consent is relatively low; and

(e) There are no disputes or uncertainties regarding property ownership.

(4) The major parameters adopted in our method of valuation are as follows:

Residential

In valuing the residential portion of the Property, we have adopted Market Comparison Method by making reference to sales evidence as available in the relevant market.

We have identified three residential property units as comparable sales evidence to the Property. Their location is quite close to the Property. The transaction date of these comparables was in between July and October 2024. The selling prices of those similar residential properties range from approximately RMB154,600 to RMB171,600 per sq m. After appropriate adjustments, we have adopted an average unit rate of about RMB165,600 per sq m on gross floor area basis for the residential promises. The adjustments comprise location, view, building age, appearance and decoration standard. The above market unit rate adopted by us is consistent with the level of the recent sales of similar properties in the vicinity.

Retail

In valuing the retail portion of the Property, we have adopted Market Comparison Method by making reference to sales evidence as available in the relevant market.

We have identified three retail units on Level 1 as comparable sales evidence to the Property. Their environment is similar to the Property. The transaction date of these comparables was in between July and December 2024. The selling prices of those similar retail properties on level 1 range from approximately RMB120,200 to RMB159,700 per sq m on gross floor area basis. After appropriate adjustments, we have adopted a unit rate of about RMB115,800 per sq m on gross floor area basis for Level 1 retail units. The adjustments comprise location, environment and size. The above market unit rate adopted by us is consistent with the level of the recent sales of similar properties in the vicinity. We applied further appropriate adjustments to arrive at the average unit rates of different floor levels. Based on the above, the market value of the retail portion of the Property by Market Comparison Method is RMB2,207,000,000.

We have also conducted the valuation by Income Capitalisation Method on the basis of capitalisation of rental income potential of the Property. We have adopted a capitalisation rate of 5.75%.

In undertaking our valuation, we have made reference to recent rental evidence of other similar properties in the vicinity.

The rental comparables of those Level 1 retail properties range from approximately RMB1,014 per sq m per month to RMB1,404 per sq m per month. After appropriate adjustments, we adopted a unit rent of RMB942 per sq m per month for Level 1 retail units of the Property. The adjustments comprise transaction nature, neighbonrhood environment, building facilities and size. The above market unit rent adopted by us is consistent with the level of the recent rental comparable evidence.

The Property comprises retail portions of various buildings involving different floor levels, with Level 1 having the highest value and upper floors less. Considerations have also been given to the differences of layout, visibility, street frontage etc. different. We applied appropriate adjustments and adopted different average units for different floor levels. Based on the above, the market value of the retail portion of the Property by Income Capitalisation Method is RMB2,177,000,000. The final value conclusion is based on the average result of the aforesaid two methods.

Office

In valuing the office portion of the Property, we have adopted Market Comparison Method by making reference to sales evidence as available in the relevant market.

We have identified three office units as comparable sales evidence to the Property. Their environment is similar to the Property. The transaction date of these comparables was in between July and December 2024. The selling prices of those similar office properties range from approximately RMB59,200 to RMB69,900 per sq m on gross floor area basis. After appropriate adjustments, we have adopted a unit rate of about RMB70,100 per sq m on gross floor area basis for office units. The adjustments comprise building age, view and size. The above market unit rate adopted by us is consistent with the level of the recent sales of similar properties in the vicinity. Based on the above, the market value of the office portion of the Property by Market Comparison Method is RMB1,940,000,000.

We have also conducted the valuation by Income Capitalisation Method on the basis of capitalisation of rental income potential of the Property. We have adopted a capitalisation rate of 5.75%.

In undertaking our valuation, we have made reference to recent rental evidence of other similar properties in the vicinity.

The rental comparables of those office properties range from approximately RMB290 per sq m per month to RMB397 per sq m per month. After appropriate adjustments, we adopted a unit rent of RMB311 per sq m per month for the office units of the Property. The adjustments comprise transaction nature, location, building age, building facilities, building appearance, view and size. The above market unit rent adopted by us is consistent with the level of the recent rental comparable evidence. Based on the above, the market value of the office portion of the Property by Income Capitalisation Method is RMB1,537,000,000. The final value conclusion is based on the average result of the aforesaid two methods.

Car Parking Spaces

In valuing the car parking spaces of the Property, we have adopted Market Comparison Method by making reference to sales evidence as available in the relevant market.

We have identified three car parking spaces as comparable sales evidence to the Property. The transaction date of these comparables was in December 2024. The selling prices of those similar car parking spaces range from approximately RMB555,700 to RMB648,500 per lot. After appropriate adjustments, we have adopted a unit rate of about RMB582,000 per lot. The adjustments mainly comprise location difference. The above market unit rate adopted by us is consistent with the level of the recent sales of similar properties in the vicinity.

We have also conducted the valuation by Income Capitalisation Method on the basis of capitalisation of rental income potential of the Property. We have adopted a capitalisation rate of 5.75%.

In undertaking our valuation, we have made reference to recent rental evidence of other similar properties in the vicinity.

The rental comparables range from approximately RMB1,500 per month to RMB1,800 per month per car parking space. After appropriate adjustments, we adopted RMB1,800 per month per car parking space for the Property. The adjustments comprise location, building age and maintenance factors. The above market unit rent adopted by us is consistent with the level of the recent rental comparable evidence.

(5) The market values of the constituent portions of the Property are:

	Gross Floor Area (sq m)	**Market value in existing state as at 31 December 2024 (RMB)**
Portions committed for sale		
108, 118 and 122 Beijing Dong Road	9,380.51	845,183,951
Unsold portions		
Residential	11,775.63	1,950,000,000
Retail	33,171.62	2,192,000,000
Office	29,259.99	1,739,000,000
183 Car Parking Spaces	14,573.47	86,880,000
	Sub-total	5,967,880,000
	Grand total	6,813,063,951
	Rounded	**6,813,000,000**

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") were as follows:

Directors' long positions in the Shares and underlying Shares

		Interest in Shares						
Name of Director	**Capacity**	**Personal Interest**	**Corporate Interest**	**Family Interest**	**Total interest in Shares**	**Interest in underlying Shares pursuant to share options**	**Aggregate interest**	**Approximate percentage of the issued Shares as at the Latest Practicable Date**
Tang Yui Man Francis	Beneficial owner	21,375,000	—	—	21,375,000	40,460,000	61,835,000	0.970%
Tian Jin	Beneficial owner	—	—	—	—	2,312,000	2,312,000	0.036%
Xin Luo Lin	Beneficial owner	—	—	—	—	2,312,000	2,312,000	0.036%

Directors' interest in options to subscribe for Shares

Name of Directors	Date of grant	Exercise period	Exercise price	Number of Shares subject to outstanding options as at the Latest Practicable Date	Approximate percentage of the issued Shares as at the Latest Practicable Date
			(HK$)		
Tang Yui Man Francis	15.05.2015	15.11.2015-14.05.2025	1.185	20,230,000	0.317%
		15.05.2016-14.05.2025	1.185	20,230,000	0.317%
Tian Jin	15.05.2015	15.11.2015-14.05.2025	1.185	1,156,000	0.018%
		15.05.2016-14.05.2025	1.185	1,156,000	0.018%
Xin Luo Lin	15.05.2015	15.11.2015-14.05.2025	1.185	1,156,000	0.018%
		15.05.2016-14.05.2025	1.185	1,156,000	0.018%

Notes:

(1) The vesting period of the share options is from the date of grant until the commencement date of the exercise period.

(2) These options represent personal interests held by the Directors as beneficial owners.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save for Mr. Ou Jin Yi Hugo, a non-executive Director, being a director of Asia Pacific Promotion Limited, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions in the Shares or underlying Shares

Name of Shareholder	Capacity/ Nature of interest	Interest in Shares	Interest in Underlying Shares	Total interests	Approximate percentage of the issued Shares as at the Latest Practicable Date
Asia Pacific Promotion Limited ("**Asia Pacific**")	Beneficial owner/ Beneficial interest	3,272,309,301	2,352,941,176	5,625,250,477 *(Note 1)*	88.25%
Cheung Loi Ping	Interest held jointly with another person and Interest of spouse/Family interest	3,285,423,039	2,352,941,176	5,638,364,215 *(Note 2)*	88.46%
Ou Yaping	Beneficial owner, Interest held jointly with another person and interest of controlled corporations/Personal interest, family interest and corporate interest	3,285,423,039	2,352,941,176	5,638,364,215 *(Notes 1 & 2)*	88.46%

Note:

1. 3,272,309,301 Shares are held by Asia Pacific, a company incorporated in the BVI, which is wholly-owned by Mr. Ou Yaping ("**Mr. Ou**"). Accordingly, Mr. Ou is deemed to be interested in the Shares held by Asia Pacific under the SFO.

2. The 5,638,364,215 Shares represent the aggregate of (i) 13,113,738 Shares held jointly by Mr. Ou Yaping and Ms. Cheung Loi Ping, the spouse of Mr. Ou Yaping; (ii) 2,352,941,176 underlying Shares; and (iii) 3,272,309,301 Shares held by Asia Pacific directly as referred to note 1 above. Such interest in underlying Shares (being unlisted physically settled derivatives) represent 2,352,941,176 Shares to be issued to Asia Pacific as a result of the conversion right attached to convertible bonds due 2027 in the principal amount of HK$200 million at the conversion price of HK$0.085 per Share issued by the Company pursuant to a subscription agreement. Ms. Cheung Loi Ping is deemed to be interested in all of the 5,638,364,215 Shares and underlying Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors is materially interested in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, since December 31, 2024 (being the date to which the latest published audited accounts of the Group were made up).

7. MATERIAL CONTRACTS

No member of the Group has entered into any contract (not being a contract entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular, which is or may be material.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, as far as the Directors were aware, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

9. EXPERTS' QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Cushman & Wakefield Limited	Independent Property Valuer

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or valuation (as appropriate) and the references to its name included herein in the form and context in which they are included.

Each of the experts has confirmed that, as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since December 31, 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company in Hong Kong is 28th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

(b) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.

(c) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, and the Hong Kong branch share transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.sinolinkhk.com**) for a period of 14 days from the date of this circular:

(a) the Agreement;

(b) the accountant's report of RGAP from PricewaterhouseCoopers, the text of which is set out in Appendix II to this circular;

(c) the report on the unaudited pro forma financial information of the Enlarged Group upon completion of the Transaction from PricewaterhouseCoopers, the text of which is set out in Appendix IV to this circular;

(d) the property valuation report from Cushman & Wakefield Limited, the text of which is set out in Appendix V to this circular;

(e) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this Appendix; and

(f) this circular.