



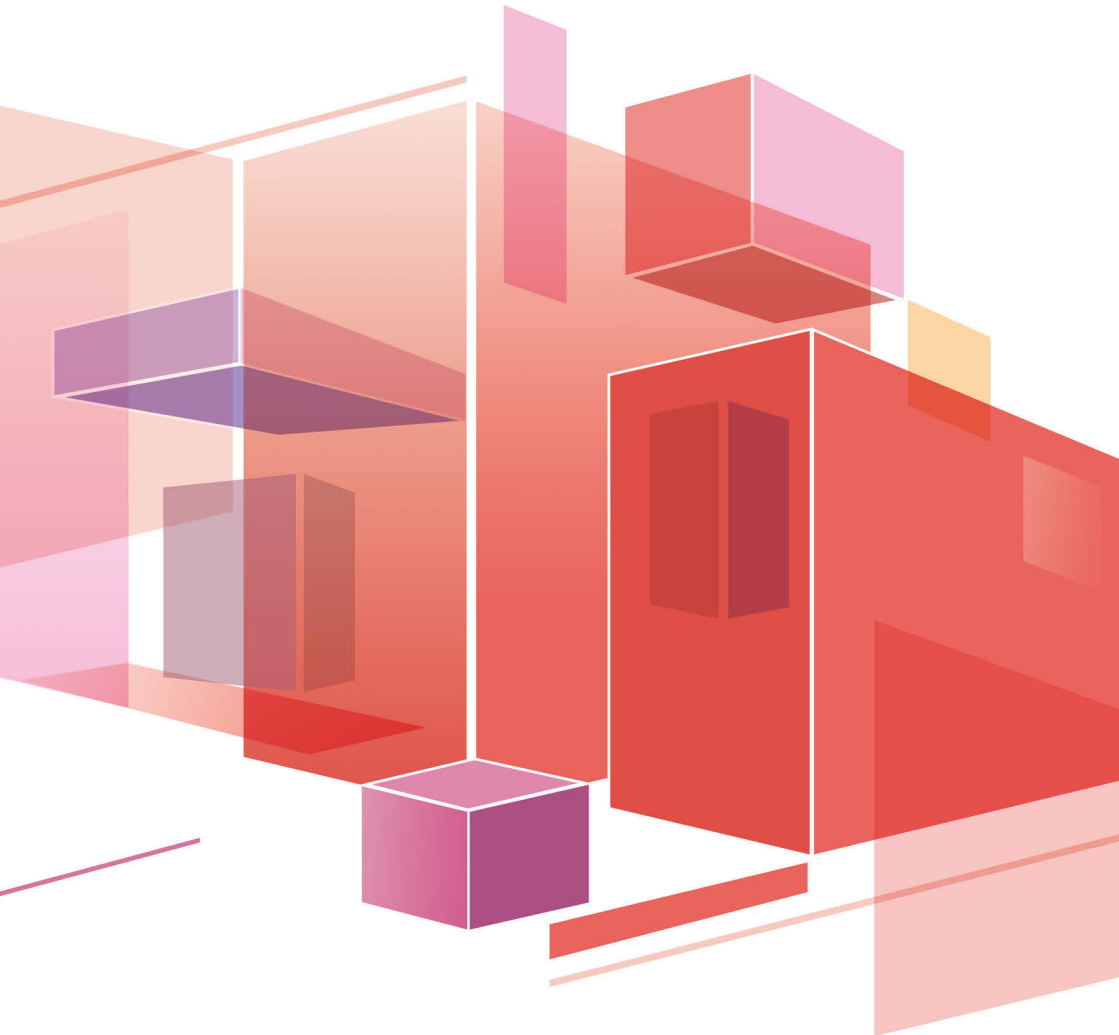
百仕達控股有限公司\*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168

## INTERIM REPORT 2017



\* For identification purpose only

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### *Executive Directors*

Xiang Ya Bo  
(*Chairman and Chief Executive Officer*)  
Chen Wei

### *Non-executive Directors*

Law Sze Lai  
Ou Jin Yi Hugo  
Ou Yaping  
Tang Yui Man Francis

### *Independent Non-executive Directors*

Tian Jin  
Xiang Bing  
Xin Luo Lin

## AUTHORISED REPRESENTATIVES

Ou Jin Yi Hugo  
Xiang Ya Bo

## COMPANY SECRETARY

Lo Tai On

## AUDIT COMMITTEE

Xin Luo Lin (*Chairman*)  
Tian Jin  
Xiang Bing

## NOMINATION COMMITTEE

Tian Jin (*Chairman*)  
Xiang Bing  
Xiang Ya Bo  
Xin Luo Lin

## REMUNERATION COMMITTEE

Xin Luo Lin (*Chairman*)  
Xiang Bing  
Xiang Ya Bo

## AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants  
35th Floor, One Pacific Place  
88 Queensway  
Hong Kong

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28th Floor, Infinitus Plaza  
199 Des Voeux Road Central  
Hong Kong  
Telephone : (852) 2851 8811  
Facsimile : (852) 2851 0970  
Stock Code : 1168  
Website : <http://www.sinolinkhk.com>

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUGF Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited  
46th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## HONG KONG BRANCH SHARE TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Shops 1712 – 1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

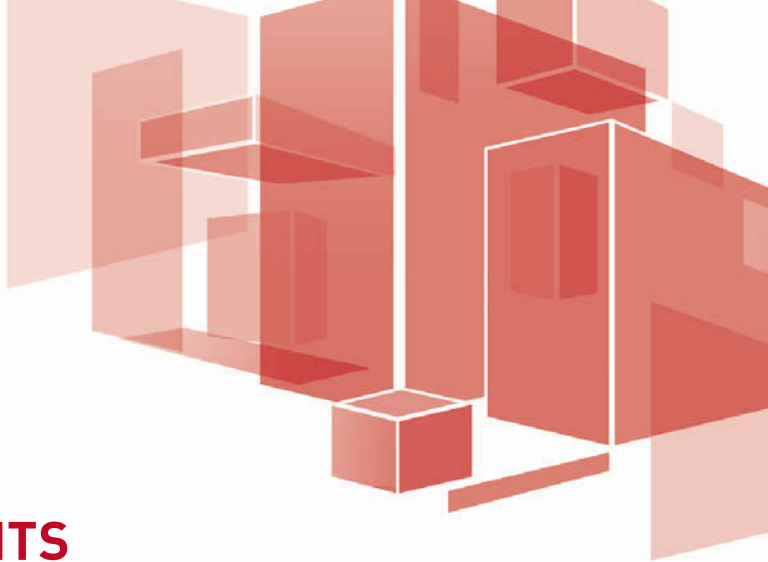
## LEGAL ADVISORS

(*As to Hong Kong Law*)  
Cleary Gottlieb Steen & Hamilton (Hong Kong)  
Deacons  
Norton Rose Fulbright Hong Kong  
Guantao & Chow Solicitors & Notaries  
Tsang, Chan & Wong  
Woo, Kwan, Lee & Lo

(*As to Bermuda Law*)  
Conyers Dill & Pearman

## PRINCIPAL BANKERS

Bank of China  
Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China  
Ping An Bank



# CONTENTS

Financial Highlights	2
Management Discussion and Analysis	3
Other Information	12
Report on Review of Condensed Consolidated Financial Statements	17
Condensed Consolidated Statement of Profit or Loss	18
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	19
Condensed Consolidated Statement of Financial Position	20
Condensed Consolidated Statement of Changes in Equity	22
Condensed Consolidated Statement of Cash Flows	23
Notes to the Condensed Consolidated Financial Statements	25

## FINANCIAL HIGHLIGHTS

### FOR THE SIX MONTHS ENDED 30 JUNE 2017

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

## MANAGEMENT DISCUSSION AND ANALYSIS



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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

### PROPERTY RENTAL

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

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

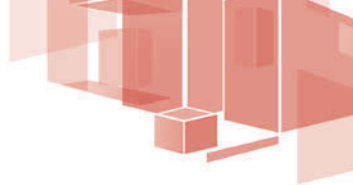
#### *Sinolink Tower*

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS



## PROPERTIES UNDER DEVELOPMENT

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

### 1. *Rockbund*

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

### 2. *Ningguo Mansions*

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

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

## MAJOR ASSOCIATE

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### LOAN RECEIVABLE FROM ASSOCIATES

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

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

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

### ASSET FINANCING

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

\* For identification purpose only



## MANAGEMENT DISCUSSION AND ANALYSIS



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

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

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

### AVAILABLE-FOR-SALE INVESTMENTS

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

### OTHER BUSINESSES

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

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

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

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

## FINANCIAL REVIEW

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

### CAPITAL COMMITMENTS

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

### CONTINGENT LIABILITIES

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

### DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2017, the aggregate amount of financial assistance to associated companies by the Group in aggregate exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the associated companies as at 30 June 2017 is presented as follows:

	<i>HK\$'000</i>
Non-current assets	5,244,634
Current assets	1,308,641
Current liabilities	(719,277)
Non-current liabilities	(7,191,217)
	<hr/>
<b>Net liabilities</b>	<b>(1,357,219)</b>
	<hr/> <hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group's attributable interest in the associated companies as at 30 June 2017 comprised net liabilities of HK\$671,707,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as 30 June 2017.

### **INTERIM DIVIDEND**

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

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2017, the Group employed approximately 821 full time employees for its principal activities. The Group recognizes the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Group.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

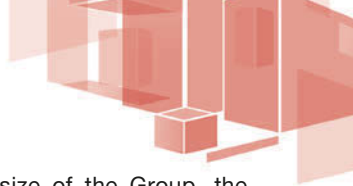
There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the six months ended 30 June 2017.

### **CORPORATE GOVERNANCE**

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

Pursuant to code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Xiang Ya Bo was appointed as the Chairman of the Board after the resignation of Mr. Tang Yui Man Francis as the Chairman of the Board on 28 June 2017. Since then, Mr. Xiang Ya Bo has undertaken both the roles of the Chairman of the Board and the Chief Executive Officer of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS



Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Xiang Ya Bo acting as both the Chairman of the Board and also as the Chief Executive Officer of the Group is acceptable and in the best interest of the Group. The Board will review this situation periodically.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirmed that in respect of the six months ended 30 June 2017, all directors of the Company have complied with the required standard set out in the Model Code.

### AUDIT COMMITTEE

The Company has an audit committee (“Audit Committee”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors, namely Mr. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditor to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2017 had not been audited, but had been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu and the Audit Committee.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board  
**SINOLINK WORLDWIDE HOLDINGS LIMITED**  
**XIANG Ya Bo**  
*Chairman and Chief Executive Officer*

Hong Kong, 22 August 2017

## OTHER INFORMATION

### DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2017, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code, to be notified to the Company and the Stock Exchange were as follows:

#### Long positions in shares of the Company

Name of Directors	Capacity	Interest in shares			Total interest in shares	Interest in underlying shares pursuant to share options	Aggregate interest	Approximate percentage of the issued shares of the Company as at 30.6.2017
		Personal interest	Corporate interest	Family interest				
Chen Wei	Beneficial owner	13,500,000	–	–	13,500,000	3,000,000	16,500,000	0.46%
Law Sze Lai	Beneficial owner	9,005,500	–	–	9,005,500	–	9,005,500	0.25%
Ou Yaping	Joint interest and interest of controlled corporation	–	1,590,283,250 (Note)	7,285,410	1,597,568,660	–	1,597,568,660	45.11%
Tang Yui Man Francis	Beneficial owner	21,375,000	–	–	21,375,000	35,000,000	56,375,000	1.59%
Tian Jin	Beneficial owner	–	–	–	–	2,000,000	2,000,000	0.05%
Xiang Bing	Beneficial owner	–	–	–	–	2,000,000	2,000,000	0.05%
Xiang Ya Bo	Beneficial owner	–	–	–	–	35,000,000	35,000,000	0.98%
Xin Luo Lin	Beneficial owner	–	–	–	–	2,000,000	2,000,000	0.05%

*Note:* These 1,590,283,250 shares of the Company are held by Asia Pacific Promotion Limited ("Asia Pacific"), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in the shares of the Company held by Asia Pacific under the SFO.

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executive of the Company had, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO.

## OTHER INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Pursuant to the Company's share option scheme adopted in 2012, the Company has granted to certain Directors of the Company options to subscribe for the shares of the Company, details of which as at 30 June 2017 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of shares subject to outstanding options as at 1.1.2017	Number of shares subject to outstanding options as at 30.6.2017	Percentage of the issued shares of the Company as at 30.6.2017
Chen Wei	15.05.2015	15.11.2015-14.05.2025	1.37	1,500,000	1,500,000	0.04%
		15.05.2016-14.05.2025	1.37	1,500,000	1,500,000	0.04%
Tang Yui Man Francis	15.05.2015	15.11.2015-14.05.2025	1.37	17,500,000	17,500,000	0.49%
		15.05.2016-14.05.2025	1.37	17,500,000	17,500,000	0.49%
Tian Jin	15.05.2015	15.11.2015-14.05.2025	1.37	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	1,000,000	1,000,000	0.02%
Xiang Bing	15.05.2015	15.11.2015-14.05.2025	1.37	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	1,000,000	1,000,000	0.02%
Xiang Ya Bo	15.05.2015	15.11.2015-14.05.2025	1.37	17,500,000	17,500,000	0.49%
		15.05.2016-14.05.2025	1.37	17,500,000	17,500,000	0.49%
Xin Luo Lin	15.05.2015	15.11.2015-14.05.2025	1.37	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	1,000,000	1,000,000	0.02%

*Notes:*

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. These options represent personal interest held by the Directors as beneficial owners.

Other than the share option scheme of the Company mentioned below, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

## OTHER INFORMATION

### DISCLOSURE OF CHANGE OF DIRECTOR'S INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the changes and updated Director's information are as follows:

Mr. Tang Yui Man Francis resigned as an executive director of Enerchina Holdings Limited, a listed company in Hong Kong, with effect from 28 June 2017.

### SHARE OPTION SCHEME OF THE COMPANY

A share option scheme was adopted by shareholders of the Company on 17 May 2012 (the "2012 Share Option Scheme"), under which the Board may, at its discretion, offer any employees of the Group or any directors of the Company or any of its subsidiaries options to subscribe for shares of the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years from the date of its adoption. Movement of options granted under the 2012 Share Option Scheme were set out below.

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price HK\$
2015A Option	15.05.2015	15.11.2015-14.05.2025	1.37
	15.05.2015	15.05.2016-14.05.2025	1.37
2015B Option	15.05.2015	15.11.2015-14.05.2025	1.37
	15.05.2015	15.05.2016-14.05.2025	1.37
	15.05.2015	15.11.2016-14.05.2025	1.37



## OTHER INFORMATION

The following table discloses movements in the Company's share options granted under the 2012 Share Option Scheme during the period:

	Option types	Outstanding at 1.1.2017	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2017
<i>Category 1: Directors</i>						
Chen Wei	2015A Option	3,000,000	-	-	-	3,000,000
Tang Yui Man Francis	2015A Option	35,000,000	-	-	-	35,000,000
Tian Jin	2015A Option	2,000,000	-	-	-	2,000,000
Xiang Bing	2015A Option	2,000,000	-	-	-	2,000,000
Xiang Ya Bo	2015A Option	35,000,000	-	-	-	35,000,000
Xin Luo Lin	2015A Option	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total for Directors		<u>79,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,000,000</u>
<i>Category 2: Employees</i>						
	2015B Option	<u>37,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,000,000</u>
Total for employees		<u>37,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,000,000</u>
All categories		<u>116,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,000,000</u>

### Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. During the period, no options were granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

At 30 June 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholder(s) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

#### *Long positions and short positions in shares of the Company*

Name of shareholder	Capacity/ Nature of interest	Interest in shares	Approximate percentage of the issued shares of the Company at 30.6.2017
Asia Pacific	Beneficial owner/ Beneficial interest	1,590,283,250 (Long) (Note)	44.90%

*Note:* Asia Pacific, a company incorporated in the British Virgin Islands, is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Mr. Ou's interests in shares of the Company had been disclosed under the section headed "Directors' Interests or Short Positions in Shares and Underlying Shares" above.

Save as disclosed above, as at 30 June 2017, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

**To The Board of Directors of Sinolink Worldwide Holdings Limited**  
(incorporated in Bermuda with limited liability)

## *Introduction*

We have reviewed the condensed consolidated financial statements of Sinolink Worldwide Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 18 to 46, which comprise the condensed consolidated statement of financial position as of 30 June 2017 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## *Scope of Review*

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
22 August 2017

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	NOTES	30.6.2017 HK\$'000 (unaudited)	31.12.2016 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	267,173	306,161
Prepaid lease payments		60,808	59,574
Investment properties	11	2,551,572	2,470,127
Amounts due from associates	12	161,657	154,706
Interests in associates		–	–
Available-for-sale investments		167,577	155,978
Other receivables	6	158,399	158,399
Loan receivables	13	50,000	50,000
Loan receivable from associates	14	1,222,188	1,238,390
Receivables from financing business	16	28,091	–
Non-current bank deposit		61,062	59,220
		<u>4,728,527</u>	<u>4,652,555</u>
<b>Current assets</b>			
Stock of properties	15	856,939	820,682
Receivables from financing business	16	390,750	26,336
Trade and other receivables, deposits and prepayments	16	37,483	31,629
Loan receivables	13	115,207	–
Derivative financial instruments		3,880	3,138
Financial assets at fair value through profit or loss	17	407,818	420,788
Prepaid lease payments		1,238	1,201
Short-term bank deposits		784,021	531,256
Structured deposits	18	817,971	1,078,212
Pledged bank deposits	24	605	586
Cash and cash equivalents		1,274,103	1,385,627
		<u>4,690,015</u>	<u>4,299,455</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	NOTES	30.6.2017 <i>HK\$'000</i> (unaudited)	31.12.2016 <i>HK\$'000</i> (audited)
Current liabilities			
Trade and other payables, deposits received and accrued charges	19	575,670	515,940
Derivative financial instruments		4,948	9,256
Taxation payable		693,244	673,639
Borrowings – due within one year		201,671	33,575
		<u>1,475,533</u>	<u>1,232,410</u>
Net current assets		<u>3,214,482</u>	<u>3,067,045</u>
Total assets less current liabilities		<u>7,943,009</u>	<u>7,719,600</u>
Non-current liabilities			
Borrowings – due after one year		41,187	56,732
Deferred taxation		367,483	353,045
		<u>408,670</u>	<u>409,777</u>
Net assets		<u>7,534,339</u>	<u>7,309,823</u>
Capital and reserves			
Share capital	20	354,111	354,111
Reserves		6,131,509	5,946,540
Equity attributable to owners of the Company		<u>6,485,620</u>	<u>6,300,651</u>
Non-controlling interests		1,048,719	1,009,172
Total Equity		<u>7,534,339</u>	<u>7,309,823</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Attributable to owners of the Company							Non-controlling interests	Total	
	Share capital	Share premium	Translation reserve	General reserves	Contributed surplus	Share option reserve	Retained earnings			Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2017 (audited)	354,111	1,824,979	207,782	182,708	367,782	80,594	3,282,695	6,300,651	1,009,172	7,309,823
Profit for the period	-	-	-	-	-	-	14,302	14,302	11,545	25,847
Exchange differences arising on translation	-	-	169,170	-	-	-	-	169,170	28,002	197,172
Share of translation reserve of associates	-	-	1,497	-	-	-	-	1,497	-	1,497
Total comprehensive income for the period	-	-	170,667	-	-	-	14,302	184,969	39,547	224,516
At 30 June 2017 (unaudited)	354,111	1,824,979	378,449	182,708	367,782	80,594	3,296,997	6,485,620	1,048,719	7,534,339
At 1 January 2016 (audited)	354,111	1,824,979	566,308	182,497	367,782	65,628	3,526,616	6,887,921	1,047,450	7,935,371
Profit for the period	-	-	-	-	-	-	10,854	10,854	23,294	34,148
Exchange differences arising on translation	-	-	(108,961)	-	-	-	-	(108,961)	(17,779)	(126,740)
Share of translation reserve of associates	-	-	18,561	-	-	-	-	18,561	-	18,561
Total comprehensive (expense) income for the period	-	-	(90,400)	-	-	-	10,854	(79,546)	5,515	(74,031)
Share option lapsed	-	-	-	-	-	(1,817)	1,817	-	-	-
Recognition of equity settled share-based payments	-	-	-	-	-	15,260	-	15,260	-	15,260
At 30 June 2016 (unaudited)	354,111	1,824,979	475,908	182,497	367,782	79,071	3,539,287	6,823,635	1,052,965	7,876,600

Note: The general reserves represent the enterprise expansion fund and general reserve fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the People's Republic of China (the "PRC"), which are not available for distribution.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	<b>Six months ended</b>	
	<b>30.6.2017</b>	30.6.2016
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Net cash used in operating activities		
Operating cash flows before movements in working capital	<b>42,050</b>	42,532
Decrease (increase) in investment held for trading	<b>86,678</b>	(118,644)
Decrease in derivative financial instruments	<b>13,589</b>	14,353
(Increase) decrease in receivables from financing business, trade and other receivables, deposits and prepayments	<b>(391,711)</b>	22,102
Increase (decrease) in trade and other payables, deposits received and accrued charges	<b>17,105</b>	(3,939)
Other movements in working capital	<b>(10,558)</b>	(5,868)
	<hr/>	<hr/>
Cash used in operations	<b>(242,847)</b>	(49,464)
Taxation paid	<b>(21,496)</b>	(25,852)
Purchase of tax reserve certificate	<b>-</b>	(35,750)
	<hr/>	<hr/>
	<b>(264,343)</b>	(111,066)
Net cash used in investing activities		
Interest received	<b>43,738</b>	46,787
Purchase of financial assets designated at fair value through profit or loss	<b>(102,817)</b>	-
Proceed on disposal of financial assets designated at fair value through profit or loss	<b>72,625</b>	-
Addition of loan	<b>(115,207)</b>	-
Dividend received	<b>372</b>	2,527
Placement of long-term bank deposits	<b>59,220</b>	-
Withdrawal of long-term bank deposits	<b>(61,062)</b>	-
Placement of short-term bank deposits	<b>(637,853)</b>	(1,615,720)
Withdrawal of short-term bank deposits	<b>405,363</b>	527,945
Placement of structured deposits	<b>(512,472)</b>	(459,800)
Withdrawal of structured deposits	<b>801,587</b>	-
Purchase of property, plant and equipment	<b>(886)</b>	(2,142)
Purchase of available-for-sale investment	<b>(11,809)</b>	-
Other investing cash flows	<b>(6,950)</b>	(8,887)
	<hr/>	<hr/>
	<b>(66,151)</b>	(1,509,290)

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	<b>Six months ended</b>	
	<b>30.6.2017</b>	30.6.2016
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Net cash from (used in) financing activities		
New borrowings raised	<b>164,399</b>	–
Repayment of borrowings	<b>(17,035)</b>	(17,844)
Interest paid	<b>(1,913)</b>	(2,807)
	<u><b>145,451</b></u>	<u>(20,651)</u>
Net decrease in cash and cash equivalents	<b>(185,043)</b>	(1,641,007)
Cash and cash equivalents at beginning of the period	<b>1,385,627</b>	2,745,617
Effect of foreign exchange rate changes	<u><b>73,519</b></u>	<u>(64,527)</u>
Cash and cash equivalents at end of the period	<u><b>1,274,103</b></u>	<u>1,040,083</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE SIX MONTHS ENDED 30 JUNE 2017

## 1. GENERAL

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

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

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

## 2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. TURNOVER AND SEGMENT INFORMATION

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

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

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

### Segment information

#### Six months ended 30 June 2017 (unaudited)

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. TURNOVER AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

Six months ended 30 June 2016 (unaudited)

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

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. OTHER INCOME

Other income comprises:

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

### 5. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30.6.2017</b>	30.6.2016
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Interest on bank borrowings	<b>1,913</b>	2,807

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6. TAXATION

Six months ended	
30.6.2017	30.6.2016
HK\$'000	HK\$'000
(unaudited)	(unaudited)

The charge comprises:

Current tax		
PRC Enterprise Income Tax	<b>21,688</b>	17,948
Deferred taxation	<b>3,401</b>	21,971
	<hr/>	<hr/>
	<b>25,089</b>	39,919
	<hr/> <hr/>	<hr/> <hr/>

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

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

In addition, PRC land appreciation tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. TAXATION (Cont'd)

Since prior years, Hong Kong Inland Revenue Department (“IRD”) queried against a subsidiary of the Group regarding the chargeability of notional interest income received from an associate of the Group in the tax returns for the years of assessment 2005/06 to 2011/12. During the six months ended 30 June 2016, the IRD has issued estimated/additional assessments demanding final tax to the subsidiary of the Company for the year of assessment 2009/2010 to 2012/2013 (together with the previous assessments raised by the IRD, the “Assessments”). The Group purchased additional tax certificate of HK\$35,750,000 against the Assessments raised in the prior interim period for the year of assessment 2009/2010 to 2012/2013. Up to 30 June 2017, the IRD has issued Assessments for the years of assessment 2006/2007 to 2012/2013 and the Group has purchased tax reserve certificates of approximately HK\$134,750,000 for conditional standover order of objection against the notices of Assessments for the years of assessment 2006/2007 to 2012/2013 and the amount is presented as “other receivables” in the Group’s condensed consolidated statement of financial position. In 2016, the IRD issued a letter informing the Group, that the IRD would put up the case for Commissioner’s determination. Up to the date of issuance of the condensed consolidated financial statements, the statements of facts to be issued by Commissioner are yet to be received. Having taken advices from tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant years of assessments and hence it is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.

Also, since prior years, IRD queried against another subsidiary of the Group regarding the offshore income on the transactions between group entities in the tax return for the year of assessment 2007/2008. Up to 30 June 2017, the Group has purchased tax reserve certificate of approximately HK\$23,649,000 for conditional standover order of objection and the amount is presented as “other receivables” in the Group’s condensed consolidated statement of financial position. In 2016, the IRD issued a letter informing the Group, that the IRD would put up the case for Commissioner’s determination. Up to the date of issuance of the condensed consolidated financial statements, the statements of facts to be issued by Commissioner are yet to be received. Having taken advices from tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant year of assessment and hence it is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



## 7. PROFIT FOR THE PERIOD

Six months ended	
30.6.2017	30.6.2016
HK\$'000	HK\$'000
(unaudited)	(unaudited)

Profit for the period has been arrived at after charging (crediting):

Depreciation of property, plant and equipment	<b>39,719</b>	38,220
Release of prepaid lease payments	<b>609</b>	638
Exchange loss	<b>36,500</b>	–
Fair value (gain) loss on financial assets at fair value through profit or loss	<b>(891)</b>	56,164
Fair value gain on derivative financial instruments	<b>(18,639)</b>	(4,193)
Share-based payments	<b>–</b>	15,260
	<b>=====</b>	<b>=====</b>

## 8. DIVIDENDS

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. EARNINGS PER SHARE

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

	Six months ended	
	30.6.2017	30.6.2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<b>14,302</b>	10,854
	<b>3,541,112,832</b>	3,541,112,832
	<b>3,541,112,832</b>	3,541,112,832

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

### 10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. INVESTMENT PROPERTIES

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

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

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

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. AMOUNTS DUE FROM ASSOCIATES

The amounts are unsecured, interest-free and repayable on demand. The directors of the Company do not expect that the repayment will take place within twelve months from the end of the reporting period, and hence the amounts are classified as a non-current assets. The directors of the Company have assessed the recoverability of the amounts due from the Group's associate, namely Rockefeller Group Asia Pacific, Inc. ("RGAP"), together with the loan receivable from RGAP amounting to HK\$1,222,188,000 as at 30 June 2017 (31 December 2016: HK\$1,238,390,000). Please refer to note 14 for impairment assessment. In the opinion of the directors of the Company, it is still expected that the amount will be fully recoverable.

## 13. LOAN RECEIVABLES

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

Notes:

- a. The outstanding loan receivable is due from an independent third party, secured, carries an interest rate of 13.00% per annum and repayable in July 2017. Subsequent to 30 June 2017, a supplemental agreement was entered by the subsidiary with an independent third party in which the maturity date is extended to August 2017 and the interest rate increased to 19.5% per annum.
- b. The outstanding loan receivable is due from an independent third party, unsecured, carries an interest rate of 6.0% per annum and repayable in December 2018.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. LOAN RECEIVABLE FROM ASSOCIATES

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

The amount represents a shareholder's loan receivable from RGAP for financing a property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. As the loan receivable is considered as a net investment, the Group has recognised its share of loss of RGAP in excess of the cost of investment against the loan receivable. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimated timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. LOAN RECEIVABLE FROM ASSOCIATES (Cont'd)

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

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

### 15. STOCK OF PROPERTIES

	<b>30.6.2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2016 HK\$'000 (audited)
Properties under development	<b><u>856,939</u></b>	<b><u>820,682</u></b>

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 16. RECEIVABLES FROM FINANCING BUSINESS, TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

Note:

The Group's receivables from financing business represented financing services provided in the ordinary course of business of the Group to the independent third parties, which the independent third parties have a portfolio of the receivables from providing loan to the underlying customers. According to the agreements signed between the independent third parties and the Group, the legal title of the receivables of the underlying customers were transferred to the Group and the independent third parties are responsible for the management of the underlying customer receivables, including the collection from the underlying customers. Also, such receivable is guaranteed by the independent third parties and repayable within one year or by instalments up to May 2020. In the event of default of repayment by the underlying customers, the Group has the right to request the independent third parties to repurchase the outstanding receivables of the underlying customers at 100% of the principal amount outstanding plus accrued interest. The independent third parties are obliged to repay to the Group once they have collected the money from the underlying customers, and the Group expects to realise such amounts by collecting the repayments from the independent third parties, therefore, the amount advanced to this counterparty is recorded as "receivables from financing business" on the condensed consolidated statement of financial position.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 16. RECEIVABLES FROM FINANCING BUSINESS, TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

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

	<b>30.6.2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2016 <i>HK\$'000</i> (audited)
Aged:		
Within 1 year	<b>390,750</b>	26,336
1 – 2 years	<b>18,399</b>	–
2 – 5 years	<b>9,692</b>	–
	<b>418,841</b>	26,336

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

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



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30.6.2017</b> <i>HK\$'000</i> <b>(unaudited)</b>	31.12.2016 <i>HK\$'000</i> (audited)
Investments held for trading, at fair value:		
– Equity securities listed in Hong Kong	<b>59,825</b>	66,732
– Equity securities listed in the PRC	<b>59,815</b>	100,371
– Equity securities listed in the United States of America	<b>17,850</b>	21,097
– Senior notes listed in Hong Kong	<b>31,765</b>	59,596
– Senior notes listed overseas	<b>92,255</b>	103,374
Designated as at fair value through profit or loss		
– Coupon notes linked with listed equity securities	<b>146,308</b>	69,618
	<b>407,818</b>	420,788

The fair value of the above listed equity securities and senior notes were determined based on the quoted market bid prices of the listed securities available on the relevant exchanges.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. STRUCTURED DEPOSITS

The Group entered into deposit placements with banks in the PRC. The bank guaranteed 100% of the invested principal amount and returns of which are determined by reference to the change in certain exchange rates or interest rates quoted in the market or the performance of financial indicator as specified in the relevant deposit placements.

Major terms of the structured deposits at the end of the reporting period are as follows:

### At 30 June 2017

Principal amount	Maturity (Note i)	Annual coupon rate	Notes
RMB710,000,000	September 2017 to December 2017	from 1.1% to 4.1%	(ii)

### At 31 December 2016

RMB50,000,000	June 2017	from 1.5% to 3.8%	(i)
RMB915,000,000	January 2017 to December 2017	from 0.3% to 3.4%	(ii)

Notes:

- (i) The annual interest rate is dependent on whether the spot rate for conversion of Australian dollar for US\$ as prevailing in the international foreign exchange market falls within ranges as specified in the relevant deposit placements during the year from inception date to maturity date of the relevant deposit placements.
- (ii) The annual interest rate is dependent on whether 3 month London Inter Bank Offered Rate for deposits in US\$ falls within ranges as specified in the relevant deposit placements during the year from inception date to maturity date of the relevant deposit placements.

The varying coupon payment of the structured deposits is regarded as a derivative embedded in the host contract but the fair value of the embedded derivative has not been separately disclosed in the condensed consolidated statement of financial position as the directors of the Company consider that either such derivative is closely related to the host contract or its value is insignificant at initial recognition and the end of the reporting period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 19. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

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

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

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2016, 31 December 2016 (audited) and 30 June 2017 (unaudited)	<u>6,000,000,000</u>	<u>600,000</u>
Issued and fully paid:		
At 1 January 2016, 31 December 2016 (audited) and 30 June 2017 (unaudited)	<u>3,541,112,832</u>	<u>354,111</u>

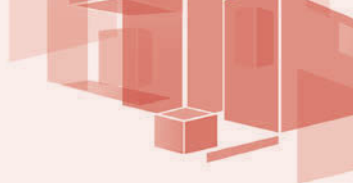
## 21. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

Name of related party	Nature of transaction	Six months ended	
		30.6.2017 HK\$'000 (unaudited)	30.6.2016 HK\$'000 (unaudited)
Associate:			
Shanghai Bund de Rockefeller Group Master Development Co., Ltd.	Project management fee income	<u>13,098</u>	<u>13,098</u>

During the current interim period, the emoluments of key management personnel were HK\$9,153,000 (six months ended 30 June 2016: HK\$17,173,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



## 22. CONTINGENT LIABILITIES

	<b>30.6.2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2016 <i>HK\$'000</i> (audited)
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	<u><b>20,535</b></u>	<u>20,415</u>

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts at initial recognition were not significant and it is not probable that the counterparties would default on the relevant loans.

## 23. COMMITMENTS

	<b>30.6.2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2016 <i>HK\$'000</i> (audited)
Commitments in respect of properties under development for sale: – contracted for but not provided in the condensed consolidated financial statements	<u><b>42,672</b></u>	<u>44,354</u>

## 24. PLEDGE OF ASSETS

At 30 June 2017, bank deposits of HK\$605,000 (31 December 2016: HK\$586,000) and investment properties with an aggregate carrying amount of HK\$517,281,000 (31 December 2016: HK\$535,800,000) were pledged to banks to secure general banking facilities granted to the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 25. SHARE-BASED PAYMENTS

A share option scheme was adopted by shareholders of the Company on 17 May 2012 (the “2012 Share Option Scheme”), under which the board of directors may, at its discretion, offer any employee (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years. On 15 May 2015, the Group granted 79,000,000 share options to the directors of the Company and 40,000,000 share options to the employees of the Group with exercise period from 15 May 2015 to 15 May 2025.

The table below discloses movement of the Company’s share options held by the directors and the employees:

	<b>Number of share options</b>
At 1 January 2016 (audited)	119,000,000
Lapsed during the period	<u>(3,000,000)</u>
At 30 June 2016 (unaudited), 1 January 2017 and 30 June 2017 (unaudited)	<u>116,000,000</u>
Exercisable at 30 June 2017	<u>116,000,000</u>

In relation to the options granted to directors of the Company, 50% of the options will vest six months after the grant date and remaining 50% of the options will vest twelve months after the grant date. In relation to the options granted to employees, 50% of the options will vest 6 months after the grant date, 25% of the options will vest twelve months after the grant date and remaining 25% of the options will vest eighteen months after the grant date. The share option is exercisable from the completion of vesting period to 14 May 2025 with exercise price of HK\$1.37.

During the six months ended 30 June 2016, total share-based payments of HK\$15,260,000 has been recognised in the profit or loss and recorded in administrative expense. The corresponding amount of HK\$15,260,000 has been credited to share option reserve.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



## 26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

*Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)

*Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Cont'd)*

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key input(s)
	30.6.2017 HK\$ (unaudited)	31.12.2016 HK\$ (audited)		
Investment in listed equity securities held for trading	<b>Assets:</b> <b>137,490,000</b>	Assets: 188,200,000	Level 1	Quoted bid prices in an active market
Investment in senior notes listed	<b>Assets:</b> <b>124,020,000</b>	Assets: 162,970,000	Level 2	Quoted bid prices in an inactive market
Financial assets at fair value through profit and loss	<b>Assets:</b> <b>146,308,000</b>	Assets: 69,618,000	Level 3	Quoted prices from financial institutions
Derivative financial instruments	<b>Assets:</b> <b>3,880,000</b>	Assets: 3,318,000	Level 3	Quoted prices from financial institutions
	<b>Liabilities:</b> <b>4,948,000</b>	Liabilities: 9,256,000		

As at 30 June 2017, the available-for-sale investments amounted to HK\$167.5 million (31 December 2016: HK\$155.9 million) mainly represented the unlisted equity investments which measured at cost less impairment at the end of the reporting period. Included in the balance, the Group owns approximately 6.529% of the share capital of an entity established in PRC at a carrying amount of HK\$93,318,000 (31 December 2016: HK\$90,503,000), of which the entity has submitted the application of listing on the Main Board of The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2017. In view of the range of reasonable fair value estimates is so significant, the directors of the Company are of the opinion that the fair values cannot be measured reliably.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.