



百仕達控股有限公司\*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168

INTERIM REPORT  
**2020**

\* For identification purpose only

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### *Executive Directors*

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

#### *Non-executive Directors*

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

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199 Des Voeux Road Central  
Hong Kong  
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Facsimile : (852) 2851 0970  
Stock Code : 1168  
Website: <http://www.sinolinkhk.com>

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North  
Cedar House  
41 Cedar Avenue  
Hamilton HM12  
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  
Guantao & Chow Solicitors & Notaries  
JunHe Law Offices  
Norton Rose Fulbright Hong Kong  
Tsang, Chan & Wong

(As to Bermuda Law)  
Conyers Dill & Pearman

### PRINCIPAL BANKERS

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



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## FINANCIAL HIGHLIGHTS

### FOR THE SIX MONTHS ENDED 30 JUNE 2020

- Revenue decreased by 15% to HK\$185.4 million
- Gross Profit decreased by 11% to HK\$110.6 million
- Loss attributable to owners of the Company increased by 168% to HK\$300.4 million
- Basic loss per share was HK8.48 cents

## MANAGEMENT DISCUSSION AND ANALYSIS

Looking back at the first half of 2020, due to the unexpected outbreak and wide spread of the COVID-19 pandemic, all major economies worldwide fell into recession. Economic growth of major countries around the world plunged, and in particular small and micro enterprises and low-income groups were hit hard. To address the large-scale recession triggered by the pandemic, the governments around the world generally resorted to Keynesianism, under which monetary and fiscal policies in unprecedented scale were rolled out to stimulate the economy. What worried the world was that there was still no sign of effective containment of the pandemic which, after a brief flat period, became intensified instead, as evidenced by the rapidly increasing total number of confirmed case worldwide at present. Looking forward, it is quite obvious that the COVID-19 is not going anywhere soon, and as a result the global economy will continue be challenging in the second half of the year.

In the first half of 2020, China's gross domestic product ("GDP") reached RMB45.6614 trillion, down by 1.6% year-on-year. Despite the significant decline in GDP growth rate in the first quarter, the supply system of the economy was not disrupted as opposed to that in 2008. Moreover, with the effective containment of the epidemic in China and the rising market demands, we witnessed rapid recovery in production activities. Coupled with the support from sufficient liquidity policies, the economy continued to improve substantially in the second quarter. The PRC economy has returned to the growth track, indicating that the economy is on a stable recovery track after bottoming out.

In the first half of the year, the PRC economy overcame the adverse impacts from the pandemic and showed a trend of gradual growth and steady recovery, further demonstrating the resilience and vigor of the economy. However, at the same time, it should be noted that some indicators are still declining, and efforts need to be made to make up the losses incurred under the impacts of the pandemic. Given the continuous spread of the pandemic around the world, the severe impacts of the pandemic on the global economy will continue to intensify, leading to markedly rising external risks and challenges, which will in turn impose pressure on the overall recovery of the PRC economy.

The Company has been actively responding to the Chinese government's and the Hong Kong SAR government's continued approach to promote financial technology development, and made great efforts in exploring the methodology of enhancing its business model and creating value for the Group. While maintaining to develop real estate business and financing services business, the Group actively collaborated with leading Fintech companies in the market and grasped every opportunity to develop in the Fintech market. For instance, we invested in ZhongAn Online P & C Insurance Co., Ltd. ("ZhongAn Online") (stock code: 6060), with whom we established a joint venture, ZhongAn Technologies International Group Limited ("ZhongAn International").

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2020, the Group's revenue was HK\$185.4 million, decreasing by 15% as compared to the same period of last year. Gross profit was HK\$110.6 million, decreasing by 11% as compared to the same period of last year. The Company recorded loss attributable to the owners of the Company of HK\$300.4 million during the period, increasing by 168% as compared to the same period of last year. Basic loss per share amounted to HK8.48 cents, increasing by 168% year-on-year.

### PROPERTY RENTAL

For the six months ended 30 June 2020, total rental income amounted to HK\$76.5 million, representing a decrease of 31% as compared to the same period of last year. Due to the outbreak of the COVID-19 pandemic, rental income recorded from investment properties dropped due to rent concession granted to tenants during the first half of the year with an aim to help them to overcome the challenging situation.

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

#### *Sinolink Tower*

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

As at 30 June 2020, the occupancy rate of the office portion of *Sinolink Tower* was 90%. Tenants are mainly engaged in jewelry, investment and real estate business.

*O Hotel*, the Group's first hotel that is dedicated to delivering customized experience, has 188 rooms and suites, a stylish restaurant, a specialty coffee shop, a premium fitness club and other facilities. During the period, the hotel continued to operate in a challenging business environment. Due to the outbreak of the COVID-19 epidemic and the implementation of the epidemic prevention and control policies, *O Hotel*, as a proprietary brand of boutique hotels, experienced a substantial decline in occupancy rate during the first half of the year. The management has adopted measures for more stringent cost control and better services, so as to improve the overall performance of the hotel.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROPERTIES UNDER DEVELOPMENT

As at 30 June 2020, the Group has the following properties under development:

### 1. *Rockbund*

Located at the Bund in Shanghai, *Rockbund* is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. The project, comprising preserved heritage buildings and some new structures, has a total site area of 18,000 square meters with a GFA of 94,080 square meters. The Group intends to redevelop the historical site and structures into an upscale mixed-use neighborhood with residential, commercial, retail, food and beverages, offices and cultural facilities. The preserved heritage buildings have commenced operation with a portion already leased out. Capital works of the new building structures had been completed with structural works well under way. In coordination with the epidemic prevention and control policies by the local government against the COVID-19 outbreak, the construction work of *Rockbund* was suspended for nearly two months in the first half of the year. The entire project is expected to commence operation upon completion of the construction in 2021.

### 2. *Ningguo Mansions*

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

The project is currently undergoing inspection, with 4 luxuriously decorated buildings and 7 bare shells, and the landscaping work under subsequent improvement and inspection. Due to the unstable market conditions, appropriate operational arrangements will be made based on the actual situation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 of the Group, are principally engaged in provision of efficient financial leasing solutions and multiple consultancy services, so as to satisfy technology and new economy companies' demands for financial services at different stages of development.

For the six months ended 30 June 2020, the interest income from financing services business amounted to HK\$11.0 million (for the six months ended 30 June 2019: HK\$7.9 million) with effective interest rate of 5.5% per annum (31 December 2019: 5.7% to 7.6%). Due to the impacts on various sectors from the outbreak of the COVID-19 pandemic and the delay in resumption of work and production of the enterprises, coupled with our continuous efforts to enhance risk management of the financial leasing and factoring business, the overall performance of the segment was affected and slowed down as compared with previous years.

We believe that there are new opportunities within the challenges arising from the COVID-19 pandemic. Although the clients affected by the pandemic are faced with increasing liquidity risks in the short term, which may impose downward pressure on the Group's asset quality and in turn impact its short-term operating results to a certain extent, we are confident that with improvement in the situation for mid-to long-run, enterprises with high growth will gradually recover from liquidity shortage and remain favourable in the market, to which the Group will pay close attention. We will take proactive measures to tackle the new challenges brought by the complex situation.

### OTHER BUSINESSES

Other businesses within the Group include property, facility and project management services. For the six months ended 30 June 2020, the Group recorded a revenue of HK\$90.7 million from other businesses, representing a year-over-year decrease of 8%.

### JOINT VENTURE - ZHONGAN INTERNATIONAL

The Company entered into the joint venture agreement ("Joint Venture Agreement") with ZhongAn Information and Technology Services Co., Ltd. ("ZhongAn Technology") in 2017, a wholly-owned subsidiary of ZhongAn Online, pursuant to which the Company and ZhongAn Technology agreed to jointly invest in ZhongAn International to enable the Company to partner with ZhongAn Technology to explore international business development, collaboration and investment opportunities in the areas of Fintech and Insurtech in overseas markets. Pursuant to the Joint Venture Agreement, (a) the Company and ZhongAn Technology made a capital contribution in cash in the amount of RMB60

\* for identification purpose only



## MANAGEMENT DISCUSSION AND ANALYSIS

million and RMB50 million, respectively, to ZhongAn International in consideration of its ordinary shares; and (b) the Company made an additional capital contribution of RMB620 million in cash to ZhongAn International in consideration of redeemable preference shares. The Company and ZhongAn Technology owns 49% and 51% of the voting interests in ZhongAn International, respectively.

During the year ended 31 December 2019, the Company completed the additional capital contribution of RMB620,000,000 in consideration of Redeemable Preference Shares. In October 2019, ZhongAn International redeemed parts of RMB140,000,000 Redeemable Preference Shares from the Group. As of 31 December 2019, the Group holds 480,000,000 Redeemable Preference Shares of ZhongAn International in cash consideration of RMB480,000,000 (equivalent to HK\$546.7 million). As at 31 December 2019, the fair value of these Redeemable Preference Shares was HK\$581.5 million. On 16 January 2020, ZhongAn International redeemed all 480,000,000 Redeemable Preference Shares from the Group. During the six months ended 30 June 2020, ZhongAn International exercises its rights to redeem all remaining Redeemable Preference Shares from the Group at consideration of RMB511,894,000, approximately of HK\$578,025,000. The Group has no investments in Redeemable Preference Shares as at 30 June 2020.

ZhongAn International have the right to redeem from the Group all or any portion of Redeemable Preference Shares within 5 years from the date of the issuance of Redeemable Preference Shares (whose term shall be renewed automatically every 5 years, subject to any veto by any of the Group or ZhongAn Technology) at the amount of the Redeemable Preference Shares attributable to the Group plus an interest rate of 5.5% per annum on the price redeemed calculated from the date of the relevant contribution by the Group on pro-rata basis. The Group did not have any voting rights from Redeemable Preference Shares and did not have any right to receive dividend from ZhongAn International. In the event of a return of capital, liquidation, dissolution or winding-up of ZhongAn International, the Group shall be entitled to receive in cash, the amount of contribution attributable to the then issued Redeemable Preference Shares and the amount of revenue as of the day on which any of the above incidents happens. As the rights and obligations of the ownership over Redeemable Preference Shares are different from the ownership of ordinary shares of ZhongAn International, the Group's investment in Redeemable Preference Shares is accounted for in accordance with HKFRS 9 and measured at FVTPL.

As stated in the announcement dated 18 July 2019, the Company entered into the joint venture share subscription agreement with ZhongAn Technology and ZhongAn International, pursuant to which (1) the Company conditionally agreed to subscribe for, and ZhongAn International conditionally agreed to allot and issue, an aggregate of 980,000,000 new joint venture ordinary shares ("Ordinary Shares") for a total subscription price of RMB960,784,313.73 payable in cash; and (2) ZhongAn Technology conditionally agreed to subscribe for, and ZhongAn International conditionally agreed to allot and

## MANAGEMENT DISCUSSION AND ANALYSIS

issue, an aggregate of 1,020,000,000 Ordinary Shares for a total subscription price of RMB1,000,000,000 payable in cash. Upon final completion, the voting interest held by ZhongAn Technology and the Company in ZhongAn International shall remain 51% and 49%, respectively.

The share subscription has been approved by the shareholders of the Company at the special general meeting held on 4 September 2019. During the six months ended 30 June 2020, the Group has further subscribed for 588,000,000 Ordinary Shares of ZhongAn International, in proportion to its existing shareholding for HK\$650,999,000 in cash. As of 30 June 2020, the Company subscribed totally 980,000,000 Ordinary Shares for a total subscription price of RMB960,784,313.24 in cash. The voting interests in ZhongAn International held by the Company remain at 49%.

The Board acknowledges that ZhongAn International, as a Fintech company, will take time to build and require substantial upfront investment in development of hardware and underlying technologies before it is capable of generating profit. Fintech industry is fast growing and it is believed that the industry may dramatically alter the financial services model in the coming decade. The Board considers that the investment by the Company in ZhongAn International is a long-term investment and believes that the performance of ZhongAn International will improve over the next few years. Given the considerable impact of Fintech and Hong Kong government's continuing support for the industry, the Board considers its investment in ZhongAn International presents numerous opportunities which are beneficial to the Company.

The additional capital contribution from the Company and ZhongAn Technology will provide additional working capital and greater financial flexibility to ZhongAn International which will further facilitate its business agenda of exploring international business development, collaboration and investment opportunities in the areas of Fintech and Insurtech in overseas markets. The Company subscription will enable the Company to better align its investment objectives and strategy to achieve more stable return in respect of its investment in ZhongAn International.

For the six months ended 30 June 2020, the Group's share of loss of ZhongAn International was HK\$99.5 million (for the six months ended 30 June 2019: loss of HK\$61.1 million), which was mainly attributable to the initial development costs incurred by ZhongAn International.

ZhongAn International has actively engaged in Fintech and innovation in Hong Kong and become one of the successful applicants to receive the first batch of virtual banking license in Hong Kong in 2019. On 18 December 2019, as the first virtual bank in Hong Kong, ZA Bank Limited ("ZA Bank"), which is wholly owned by ZhongAn International, announced the launch of its pilot trial to offer a brand new experience of its services to the selected users in Hong Kong before full business launch to the general public. The

## MANAGEMENT DISCUSSION AND ANALYSIS

pilot will be conducted under the Fintech Supervisory Sandbox of Hong Kong Monetary Authority (“HKMA”). At the beginning of the pilot, ZA Bank will provide services for approximately 2,000 local retail customers to gather feedbacks for further improvement of its service platform, so as to make preparations for its full official business launch.

ZA Bank officially became the first virtual bank in Hong Kong on 24 March 2020, and launched its flagship demand deposit product – ZA Demand Go, allowing citizens to increase their wealth through considerable deposit interest rates in a low interest environment. Citizens can enjoy legacy-free banking products and services without time constraints by joining hands with ZA Bank to enter the new era of virtual banking.

Unlike the physical operating model of traditional banks, ZA Bank provides users with a full suite of services 24/7. Users can carry out account opening, deposit, transfer, loan and other services through the one-stop mobile App, saving them the trouble to go to any branch of the bank to complete these procedures. Users can open an account in five minutes soonest with his/her own Hong Kong identity card only and experience innovative functions such as “7 x 24 time deposit”, “5-second transfer recall” and “facial authentication”. In addition, ZA Bank employs a variety of technologies including anti-fraud, risk control and cyber security defense, and provides adequate protection for the safe operation of accounts in accordance with international anti-money laundering standards.

On 6 May 2020, ZhongAn International and its subsidiary ZA Bank announced their cooperation with The Hong Kong and China Gas Company Limited (“Towngas”) to join its campaign to support the catering industry in a bid to aid economic recovery (撐餐飲振經濟), in the hope of helping the catering industry overcome difficulties and promote industry recovery. ZhongAn International will contribute HK\$5 million to establish the “ZA Relief Fund for catering industry”, with an aim to provide emergency aid for more than 3,000 small-and-medium restaurant customers of Towngas. Any owner of qualified restaurants will automatically enjoy the “ZA Relief Fund for catering industry” after opening an account at ZA Bank.

In addition, on 4 May 2020, ZhongAn International announced that its joint venture with Fubon Life Insurance (Hong Kong) Company Limited (i.e. ZA Life Limited (“ZA Life”)) has obtained a digital-only insurer license from the Hong Kong Insurance Authority under its Fast Track pilot scheme. ZA Life (with business name of ZA Insure) will make great effort in satisfying the needs of different people with innovative insurance services and products, so as to provide protection for a wider range of people.

ZA Insure is a digital-only insurance platform which strives to break the time and wealth constraints on insurance products. It brings the needs of users back into focus and helps them obtain the most suitable protection at a most reasonable cost. ZA Insure is dedicated to creating simple, fast, clear and understandable service experience through

## MANAGEMENT DISCUSSION AND ANALYSIS

its 24/7 online platform from quotation, underwriting to claim. On 18 May 2020, ZA Insure announced the launch of its flagship products “ZA Life Protection”, “ZA Cancer Protection” and “ZA Heart Attack & Stroke Protection”, officially providing Hong Kong citizens with personalized coverage that “everyone can afford”.

The Board believes, based on its own experiences gained from the Insurtech market in China, ZhongAn International will develop world-leading cloud-based and open-ended finance industry core platform products, and create hybrid ecosystems integrating online and offline platforms, with an aim to become the preferred partner for finance digitalization and service provider in the Asia Pacific region.

### MAJOR ASSOCIATE – ROCKEFELLER GROUP ASIA PACIFIC, INC.

For the six months ended 30 June 2020, the Group recorded share of loss of a major associate, Rockefeller Group Asia Pacific, Inc. (“RGAP”), of HK\$120.1 million, representing a year-on-year increase of 148%, in respect of the *Rockbund* project, which was mainly due to net exchange loss and fair value loss of investment properties.

### LOAN RECEIVABLE FROM ASSOCIATES

The loan receivable is an investment in RGAP by way of a shareholder’s loan used for financing the *Rockbund* project, constituting part of the total investment of the Group in RGAP. As the loan receivable is in fact a net investment, the Group has recognized its share of loss of RGAP in excess of the investment cost against the loan receivable. Since HKFRS 9 became effective on 1 January 2018, the loan receivable from RGAP is measured at fair value through profit or loss. The directors of the Company consider that the investment is a long-term investment, which should be classified into a non-current asset accordingly.

Upon the application of HKFRS 9 as at 1 January 2018, loan receivable from associates as well as the amounts due from associates represent an investment in the project of RGAP and hence the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding, loan receivable from associates as well as the amounts due from associates are both measured at fair value through profit or loss. The directors of the Company assessed the fair value of the loan receivable from associates and amounts due from associates by taking into consideration the estimated future cash flows and timing of such cash flows discounted at market interest rate.

As at 30 June 2020, the directors of the Company reassessed the fair value of such investment after taking into consideration the estimated future cash flows and timing of such cash flows discounted at its market interest rate. A fair value loss of HK\$97.5 million (for the six months ended 30 June 2019: HK\$74.0 million) is recognized in profit or loss during the six months ended 30 June 2020.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS

As at 30 June 2020, total equity instruments at fair value through other comprehensive income amounted to HK\$2,678.7 million (31 December 2019: HK\$1,994.6 million), mainly representing that of ZhongAn Online owned by the Group of approximately HK\$2,574.6 million (31 December 2019: HK\$1,884.9 million), which was measured at fair value at the end of this reporting period. As at 30 June 2020, the fair value of ZhongAn Online represented 24% of the Group's total assets. The Group owns approximately 5.51% of the total issued share capital of ZhongAn Online, of which the original cost is approximately RMB81 million (equivalent of approximately HK\$90 million).

In estimating the fair value of the investment in ZhongAn Online, the Group has taken into consideration the marketability discount on domestic shares of ZhongAn Online.

As the first Internet-based Insurtech company in China, ZhongAn Online upheld the mission of “empowering the finance business with technologies and providing insurance services with a caring hand”. ZhongAn Online embraced the two-winged growth strategy of “Insurance + Technology”, and adhered to integrating technologies into the whole insurance value chain. By empowering the insurance value chain with technologies and adopting an ecosystem-oriented approach (i.e. the “B2B2C” model), ZhongAn Online empowered the platforms operated by its ecosystem partners through its technology strengths via focusing on the Internet life from the customer end, in order to meet the diversified protection demands of customers and create value for them. Meanwhile, ZhongAn Online proved and upgraded its technology strength in the operation of its insurance business, and ZhongAn Online aims to enable the Internet insurance industry chain to export Insurtech and to facilitate the digital transformation of industry players across the world. We believe ZhongAn Online will continue to improve the development of its existing five major ecosystems, including health, consumer finance, auto, lifestyle consumption and travel, and apply leading technologies in its insurance business, so as to consolidate its leading position in the online Insurtech sector.

## PROSPECTS

Looking forward to the second half of 2020, the outbreak of COVID-19 epidemic will be well controlled in the PRC. With the promotion of early accommodative policies, domestic investment and consumption demand are expected to be back on track, providing great support to a sustained and steady economic recovery. Nevertheless, the PRC economy still faces with numerous challenges, including the trade dispute between China and the US and the negative impact on and loss of the PRC economy from the outbreak of COVID-19, which significantly affect the rental income from properties lease. As the PRC economy will remain under downward pressure in the second half of 2020, the Group will continue to pay close attention to economic changes and make corresponding adjustments in its development and operation strategy.

## MANAGEMENT DISCUSSION AND ANALYSIS

Of all the industries, we consider that the Fintech industry has the greatest development potential. Fintech has experienced rapid development over the past several years, and this technology is continuously being applied to various financial service scenarios, which not only increases the efficiency of the financial service industry, but also provides the general public with more product and service options. In particular, amidst the outbreak of the COVID-19 pandemic at the beginning of the year, technology helped to change and improve our lifestyle by providing faster and more convenient services and experiences. We witnessed rapid improvement in the potential and room for development in technology, which in turn offers more opportunities and greater value.

In terms of business development, while striving to balance the profitability and growth of the existing business, we also spare no effort in exploring new development opportunities. The Group will continue to ride on the development momentum of the Fintech industry in the future, and hope that proper resource allocation and effective management can provide a business development for the Group's stable growth and bring long-term values for shareholders.

### FINANCIAL REVIEW

The Group's total borrowings slightly decreased from HK\$797.6 million as at 31 December 2019 to HK\$797.0 million as at 30 June 2020. As at 30 June 2020, the Group's gearing ratio, calculated on the basis of total borrowings over shareholders' equity, was 12.07% as compared with 12.12% as at 31 December 2019. The Group remained financially strong with a net cash position.

At 30 June 2020, bank deposits of HK\$782,982,000 (31 December 2019: HK\$778,865,000), structured deposits of HK\$121,577,000 (31 December 2019: HK\$123,884,000) and investment properties with an aggregate carrying amount of HK\$501,643,000 (31 December 2019: HK\$517,817,000) were pledged to banks to secure general banking facilities granted to the Group. The borrowings of the Group is denominated in HK\$ (31 December 2019: RMB and HK\$) as at 30 June 2020. 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 rate fluctuation on the Group.

The Group's cash and bank balances amounted to HK\$2,487.8 million (including pledged bank deposits, structured deposits, short-term bank deposits, long-term bank deposits, and cash and cash equivalents) as at 30 June 2020, mostly denominated in RMB, HK\$ and USD.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUBSCRIPTION OF AN INVESTMENT FUND – NANJING KUAN PING CHENG NUO YIYAO INVESTMENT LIMITED PARTNER

As stated in the announcement of the Company dated 20 December 2019, the Group entered into the limited partnership agreement with 5 other partners and the manager in respect of, among other matters, the establishment of an investment fund 南京寬平晟諾醫藥投資合夥企業(有限合夥) (Nanjing Kuan Ping Cheng Nuo Yiyao Investment Limited Partner\*), a limited partnership established under the laws of PRC and the subscription of interests therein (“Limited Partnership Agreement”). Pursuant to the Limited Partnership Agreement, the total capital commitment to the Investment Fund is RMB708,000,000 (equivalent to approximately HK\$789,000,000) of which RMB150,000,000 (equivalent to approximately HK\$167,000,000) is to be contributed by the Group to engage in investments (mainly in the healthcare sector primarily focusing on biotechnology, pharmaceutical, medical device, healthcare services and digital medics, etc.) in accordance with the terms of the Limited Partnership Agreement in order to achieve investment returns for the Partners. Details of the Limited Partnership Agreement are set out in the announcement of the Company dated 20 December 2019. On 19 March 2020, the Group subscribed RMB75,000,000 (equivalent to approximately HK\$82,000,000) as first injection.

### CAPITAL COMMITMENTS

As at 30 June 2020, the Group had commitments of HK\$33.4 million in respect of properties under development.

### CONTINGENT LIABILITIES

As at 30 June 2020, guarantees offered to banks as security for the mortgage loans arranged for the Group’s property buyers amounted to HK\$10.4 million.

\* for identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2020, 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 Listing Rules.

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 2020 is presented as follows:

|                         | HK\$'000                  |
|-------------------------|---------------------------|
| Non-current assets      | 5,616,545                 |
| Current assets          | 1,439,590                 |
| Current liabilities     | (663,431)                 |
| Non-current liabilities | <u>(8,393,130)</u>        |
| Net liabilities         | <u><u>(2,000,426)</u></u> |

The Group's attributable interest in the associated companies as at 30 June 2020 comprised net liabilities of HK\$955,440,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies as 30 June 2020.

### INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2020 (2019: Nil).

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2020, the Group employed approximately 715 full time employees. 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.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **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 during the period ended 30 June 2020.

### **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") on 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. During the period, Mr. Xiang Ya Bo has undertaken both the roles of the Chairman of the Board and the Chief Executive Officer of the Group. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Xiang Ya Bo acting as both the Chairman of the Board and also as the Chief Executive Officer of the Group is acceptable and in the best interest of the Group. There are adequate balance of power and safeguards in place. The Board will review and monitor this situation periodically and would ensure that the present structure would not impair the balance of power of the Company.

### **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. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30 June 2020, all Directors have complied with the required standard set out in the Model Code.

## MANAGEMENT DISCUSSION AND ANALYSIS

### AUDIT COMMITTEE

The Company has an audit committee (the “Audit Committee”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and supervising over the Group’s financial reporting processes and internal controls. The Audit Committee comprises three independent non-executive directors. The members of the Audit Committee are 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 external auditor to consider the Company’s financial reporting process, the internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2020 had not been audited, but had been reviewed by the Company’s external 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, 27 August 2020

## OTHER INFORMATION

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

At 30 June 2020, 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 or underlying 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 30.6.2020 |
|----------------------|---|--------------------|-------------------------|-----------------|--------------------------|---|--------------------|--|
|                      |   | Personal interest  | Corporate interest      | Family interest |                          |   |                    |  |
| Chen Wei             | Beneficial owner                                      | 13,500,000         | –                       | –               | 13,500,000               | 3,000,000   | 16,500,000         | 0.46%  |
| Ou Yaping            | Joint interest and interest of controlled corporation | –                  | 1,590,283,250<br>(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.

## OTHER INFORMATION

Details of the share options granted to the above Directors are set out in the below section headed “Directors’ Rights to Acquire Shares or Debentures of the Company and Associated Corporation”.

Save as disclosed above, as at 30 June 2020, none of the Directors or 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.

### 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 2020 were as follows:

| Name of Directors    | Date of grant | Exercise period       | Exercise price<br>HK\$ | Number of shares subject to outstanding options as at 1.1.2020 | Number of shares subject to outstanding options as at 30.6.2020 | Approximate percentage of the issued shares of the Company as at 30.6.2020 |
|----------------------|---------------|-----------------------|------------------------|--|---|--|
| 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%  |

## OTHER INFORMATION

### 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.

## DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

As at the date of this interim report, the Company is not aware of any change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## 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:

| <b>Option type</b> | <b>Date of grant</b> | <b>Exercise period</b> | <b>Exercise price</b><br><i>HK\$</i> |
|--------------------|----------------------|------------------------|--------------------------------------|
| 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<br>at 1.1.2020 | Granted<br>during<br>the period | Exercised<br>during<br>the period | Lapsed<br>during<br>the period | Outstanding<br>at 30.6.2020 |
|------------------------------|--------------|----------------------------|---------------------------------|-----------------------------------|--------------------------------|-----------------------------|
| <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>35,000,000</u>          | <u>-</u>                        | <u>-</u>                          | <u>-</u>                       | <u>35,000,000</u>           |
| Total for employees          |              | <u>35,000,000</u>          | <u>-</u>                        | <u>-</u>                          | <u>-</u>                       | <u>35,000,000</u>           |
| All categories               |              | <u>114,000,000</u>         | <u>-</u>                        | <u>-</u>                          | <u>-</u>                       | <u>114,000,000</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 2020, 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 shares of the Company:

#### *Long Positions and Short Positions in Shares or Underlying Shares of the Company*

| Name of shareholder      | Capacity/Nature of Interest              | Interest in Shares      | Interest in Derivatives | Total Interests         | Approximate percentage of the Company's issued shares at 30.6.2020 |
|--------------------------|--|-------------------------|-------------------------|-------------------------|--|
| Asia Pacific<br>(Note 1) | Beneficial owner/<br>Beneficial interest | 1,590,283,250<br>(Long) | -                       | 1,590,283,250<br>(Long) | 44.90%   |

(Long) – Long position

*Note:* The 1,590,283,250 shares of the Company are held by 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. Mr. Ou's interests had been disclosed in the section headed "Directors' Interests or Short Positions in Shares and Underlying Shares" above.

Save as disclosed above, as at 30 June 2020, the Company has not been notified of any other interests or short positions in the shares or 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 set out on pages 23 to 64, which comprise the condensed consolidated statement of financial position as of 30 June 2020 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  
27 August 2020



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

|  | NOTES | Six months ended                     |                                      |
|--|-------|--------------------------------------|--------------------------------------|
|  |       | 30.6.2020<br>HK\$'000<br>(unaudited) | 30.6.2019<br>HK\$'000<br>(unaudited) |
| Revenue  |       |                                      |                                      |
| Interest income  |       | 11,013                               | 7,943                                |
| Rental income  |       | 76,527                               | 110,789                              |
| Other revenue from contracts with customers  |       | 97,856                               | 98,240                               |
| Total revenue  | 4     | 185,396                              | 216,972                              |
| Cost of services   |       | (74,803)                             | (93,025)                             |
| Gross profit   |       | 110,593                              | 123,947                              |
| Other income   | 5     | 44,167                               | 56,940                               |
| Selling expenses   |       | (1,928)                              | (1,428)                              |
| Administrative expenses  |       | (58,175)                             | (54,625)                             |
| Other gains and losses   | 5     | (12,043)                             | 309                                  |
| Decrease in fair value of investment properties  | 12    | (36,384)                             | –                                    |
| Fair value gain on other financial assets at fair value through profit or loss (“FVTPL”) |       | 13,385                               | 13,850                               |
| Fair value loss on loan receivable from associates and amounts due from associates       |       | (97,537)                             | (73,961)                             |
| Share of results of associates   |       | (218,754)                            | (109,040)                            |
| Finance costs  | 6     | (18,010)                             | (17,153)                             |
| Loss before taxation   |       | (274,686)                            | (61,161)                             |
| Taxation   | 7     | (16,435)                             | (27,374)                             |
| Loss for the period  | 8     | (291,121)                            | (88,535)                             |
| Attributable to:   |       |                                      |                                      |
| Owners of the Company  |       | (300,434)                            | (112,190)                            |
| Non-controlling interests  |       | 9,313                                | 23,655                               |
|  |       | (291,121)                            | (88,535)                             |
|  |       | <i>HK cents</i>                      | <i>HK cents</i>                      |
| Loss per share   | 10    |                                      |                                      |
| Basic  |       | (8.48)                               | (3.17)                               |
| Diluted  |       | (8.48)                               | (3.17)                               |

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

FOR THE SIX MONTHS ENDED 30 JUNE 2020

|   | <b>Six months ended</b> |                  |
|---|-------------------------|------------------|
|   | <b>30.6.2020</b>        | 30.6.2019        |
|   | <b>HK\$'000</b>         | HK\$'000         |
|   | <b>(unaudited)</b>      | (unaudited)      |
| Loss for the period   | <u><b>(291,121)</b></u> | <u>(88,535)</u>  |
| <b>Other comprehensive (expense) income</b>   |                         |                  |
| Items that will not be reclassified to profit or loss:  |                         |                  |
| Exchange differences arising on translation to presentation currency  | <b>(135,756)</b>        | (28,223)         |
| Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax | <u><b>538,177</b></u>   | <u>(251,667)</u> |
| Other comprehensive income (expense) for the period, net of tax   | <u><b>402,421</b></u>   | <u>(279,890)</u> |
| Total comprehensive income (expense) for the period   | <u><b>111,300</b></u>   | <u>(368,425)</u> |
| Total comprehensive income (expense) attributable to:   |                         |                  |
| Owners of the Company   | <b>21,266</b>           | (336,362)        |
| Non-controlling interests   | <u><b>90,034</b></u>    | <u>(32,063)</u>  |
|   | <u><b>111,300</b></u>   | <u>(368,425)</u> |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

|   | NOTES | 30.6.2020<br>HK\$'000<br>(unaudited) | 31.12.2019<br>HK\$'000<br>(audited) |
|---|-------|--------------------------------------|-------------------------------------|
| <b>Non-current assets</b>                             |       |                                      |                                     |
| Property, plant and equipment                         | 11    | 277,818                              | 300,419                             |
| Investment properties                                 | 12    | 2,514,984                            | 2,599,888                           |
| Amounts due from associates                           | 13    | –                                    | –                                   |
| Interests in associates                               | 13    | 954,241                              | 401,946                             |
| Equity instruments at FVTOCI                          | 18    | 2,678,652                            | 1,994,592                           |
| Other financial assets at FVTPL                       | 19    | 144,984                              | 693,096                             |
| Other receivables                                     | 7     | 158,399                              | 158,399                             |
| Loan receivable from associates                       | 15    | –                                    | 78,703                              |
| Finance lease receivables                             |       | 111                                  | 416                                 |
| Deferred tax assets                                   | 23    | 4,978                                | 3,191                               |
| Long-term bank deposits                               |       | 75,341                               | 54,449                              |
| Pledged bank deposits                                 |       | 744,797                              | 758,929                             |
|   |       | <u>7,554,305</u>                     | <u>7,044,028</u>                    |
| <b>Current assets</b>                                 |       |                                      |                                     |
| Stock of properties                                   | 16    | 858,361                              | 866,726                             |
| Trade and other receivables, deposits and prepayments | 17    | 110,905                              | 93,023                              |
| Loans receivables                                     | 14    | 414,401                              | 419,075                             |
| Finance lease receivables                             |       | 1,391                                | 1,561                               |
| Other financial assets at FVTPL                       | 19    | 337,999                              | 387,298                             |
| Short-term bank deposits                              |       | 256,667                              | 12,846                              |
| Structured deposits                                   | 20    | 386,637                              | 408,482                             |
| Pledged bank deposits                                 |       | 38,185                               | 19,936                              |
| Cash and cash equivalents                             |       | 986,198                              | 1,463,952                           |
|   |       | <u>3,390,744</u>                     | <u>3,672,899</u>                    |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

|   | NOTES | 30.6.2020<br>HK\$'000<br>(unaudited) | 31.12.2019<br>HK\$'000<br>(audited) |
|---|-------|--------------------------------------|-------------------------------------|
| Current liabilities   |       |                                      |                                     |
| Trade and other payables, deposits received and accrued charges | 21    | 429,432                              | 453,357                             |
| Contract liabilities  |       | 11,578                               | 10,719                              |
| Taxation payable  |       | 695,298                              | 707,977                             |
| Borrowings  |       | 112,000                              | 112,167                             |
| Lease liabilities   | 22    | 9,344                                | 8,895                               |
|   |       | <u>1,257,652</u>                     | <u>1,293,115</u>                    |
| Net current assets  |       | <u>2,133,092</u>                     | <u>2,379,784</u>                    |
| Total assets less current liabilities                           |       | <u>9,687,397</u>                     | <u>9,423,812</u>                    |
| Non-current liabilities   |       |                                      |                                     |
| Borrowings  |       | 685,000                              | 685,419                             |
| Lease liabilities   | 22    | 7,077                                | 11,286                              |
| Deferred tax liabilities  | 23    | 998,061                              | 841,148                             |
|   |       | <u>1,690,138</u>                     | <u>1,537,853</u>                    |
| Net assets  |       | <u>7,997,259</u>                     | <u>7,885,959</u>                    |
| Capital and reserves  |       |                                      |                                     |
| Share capital   | 24    | 354,111                              | 354,111                             |
| Reserves  |       | 6,250,128                            | 6,228,862                           |
| Equity attributable to owners of the Company                    |       | <u>6,604,239</u>                     | <u>6,582,973</u>                    |
| Non-controlling interests                                       |       | <u>1,393,020</u>                     | <u>1,302,986</u>                    |
| Total equity  |       | <u>7,997,259</u>                     | <u>7,885,959</u>                    |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

|   | Attributable to owners of the Company |                  |                     |                    |                     |                      |                                 |                   | Non-controlling interests |                  |                  |
|---|---------------------------------------|------------------|---------------------|--------------------|---------------------|----------------------|---------------------------------|-------------------|---------------------------|------------------|------------------|
|   | Share capital                         | Share premium    | Translation reserve | General reserves   | Contributed surplus | Share option reserve | Investments revaluation reserve | Retained earnings | Total                     | Total            |                  |
|   | HK\$'000                              | HK\$'000         | HK\$'000            | HK\$'000<br>(Note) | HK\$'000            | HK\$'000             | HK\$'000                        | HK\$'000          | HK\$'000                  | HK\$'000         |                  |
| At 1 January 2020 (audited)                         | 354,111                               | 1,824,979        | 227,892             | 184,298            | 367,782             | 79,300               | 1,076,527                       | 2,468,084         | 6,582,973                 | 1,302,986        | 7,885,959        |
| (Loss) profit for the period                        | -                                     | -                | -                   | -                  | -                   | -                    | -                               | (300,434)         | (300,434)                 | 9,313            | (291,121)        |
| Other comprehensive (expense) income for the period | -                                     | -                | (107,322)           | -                  | -                   | -                    | 429,022                         | -                 | 321,700                   | 80,721           | 402,421          |
| Total comprehensive (expense) income for the period | -                                     | -                | (107,322)           | -                  | -                   | -                    | 429,022                         | (300,434)         | 21,266                    | 90,034           | 111,300          |
| At 30 June 2020 (unaudited)                         | <u>354,111</u>                        | <u>1,824,979</u> | <u>120,570</u>      | <u>184,298</u>     | <u>367,782</u>      | <u>79,300</u>        | <u>1,505,549</u>                | <u>2,167,650</u>  | <u>6,604,239</u>          | <u>1,393,020</u> | <u>7,997,259</u> |
| At 1 January 2019 (audited)                         | 354,111                               | 1,824,979        | 359,148             | 183,511            | 367,782             | 79,300               | 989,734                         | 2,785,446         | 6,944,011                 | 1,343,637        | 8,287,648        |
| (Loss) profit for the period                        | -                                     | -                | -                   | -                  | -                   | -                    | -                               | (112,190)         | (112,190)                 | 23,655           | (88,535)         |
| Other comprehensive expense for the period          | -                                     | -                | (21,881)            | -                  | -                   | -                    | (202,291)                       | -                 | (224,172)                 | (55,718)         | (279,890)        |
| Total comprehensive expense for the period          | -                                     | -                | (21,881)            | -                  | -                   | -                    | (202,291)                       | (112,190)         | (336,362)                 | (32,063)         | (368,425)        |
| At 30 June 2019 (unaudited)                         | <u>354,111</u>                        | <u>1,824,979</u> | <u>337,267</u>      | <u>183,511</u>     | <u>367,782</u>      | <u>79,300</u>        | <u>787,443</u>                  | <u>2,673,256</u>  | <u>6,607,649</u>          | <u>1,311,574</u> | <u>7,919,223</u> |

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 2020

|  | <b>Six months ended</b> |             |
|--|-------------------------|-------------|
|  | <b>30.6.2020</b>        | 30.6.2019   |
|  | <b>HK\$'000</b>         | HK\$'000    |
|  | <b>(unaudited)</b>      | (unaudited) |
| Net cash from operating activities   |                         |             |
| Operating cash flows before movements in working capital                     | <b>73,588</b>           | 104,541     |
| Decrease in financial assets at FVTPL  | <b>36,400</b>           | 183,572     |
| (Increase) decrease in loan receivables                                      | <b>(5,885)</b>          | 305,629     |
| Decrease in finance lease receivables  | <b>442</b>              | 99,972      |
| (Increase) decrease in trade and other receivables, deposits and prepayments | <b>(4,226)</b>          | 15,405      |
| Decrease in trade and other payables, deposits received and accrued charges  | <b>(16,434)</b>         | (19,377)    |
| Other movements in working capital   | <b>(6,760)</b>          | 8,028       |
|  | <hr/>                   | <hr/>       |
| Net cash from operations   | <b>77,125</b>           | 697,770     |
| Taxation paid  | <b>(24,427)</b>         | (30,922)    |
| Interest received from financing services business                           | <b>11,013</b>           | 7,943       |
|  | <hr/>                   | <hr/>       |
|  | <b>63,711</b>           | 674,791     |
|  | <hr/>                   | <hr/>       |
| Net cash used in investing activities  |                         |             |
| Other interest received  | <b>19,847</b>           | 37,288      |
| Dividend received  | <b>641</b>              | 1,654       |
| Placement of long-term bank deposits   | <b>(22,051)</b>         | (63,123)    |
| Placement of short-term bank deposits  | <b>(258,365)</b>        | (152,727)   |
| Withdrawal of short-term bank deposits                                       | <b>12,690</b>           | 61,345      |
| Placement of structured deposits   | <b>(266,814)</b>        | (196,759)   |
| Withdrawal of structured deposits  | <b>281,147</b>          | 125,000     |
| Purchase of property, plant and equipment                                    | <b>(3,314)</b>          | (2,799)     |
| Disposal of equity instruments at FVTOCI                                     | <b>-</b>                | 9,122       |
| Purchase of equity instruments at FVTOCI                                     | <b>(6,008)</b>          | (5,582)     |
| Proceed from redemption of Redeemable Preference Shares (note 19)            | <b>578,025</b>          | -           |
| Proceed from disposal of redeemable convertible preference shares (note 19)  | <b>63,197</b>           | -           |
| Investment in unlisted fund investment in the PRC (note 19)                  | <b>(82,147)</b>         | -           |
| Investment in an associate   | <b>(650,999)</b>        | -           |
| Proceed from disposal of interest in an associate                            | <b>-</b>                | 3,706       |
| Advance to associates  | <b>(139,754)</b>        | -           |
| Other investing cash flows   | <b>(18,743)</b>         | (6,566)     |
|  | <hr/>                   | <hr/>       |
|  | <b>(492,648)</b>        | (189,441)   |
|  | <hr/>                   | <hr/>       |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

|  | <b>Six months ended</b> |                  |
|--|-------------------------|------------------|
|  | <b>30.6.2020</b>        | 30.6.2019        |
|  | <b>HK\$'000</b>         | HK\$'000         |
|  | <b>(unaudited)</b>      | (unaudited)      |
| Net cash used in financing activities                |                         |                  |
| Repayment of borrowings                              | <b>(586)</b>            | (208,134)        |
| Repayment of lease liabilities                       | <b>(4,467)</b>          | (4,661)          |
| Interest paid  | <b>(17,163)</b>         | (16,265)         |
|  | <u><b>(22,216)</b></u>  | <u>(229,060)</u> |
| Net (decrease) increase in cash and cash equivalents | <b>(451,153)</b>        | 256,290          |
| Cash and cash equivalents at beginning of the period | <b>1,463,952</b>        | 1,538,713        |
| Effect of foreign exchange rate changes              | <u><b>(26,601)</b></u>  | <u>(1,635)</u>   |
| Cash and cash equivalents at end of the period       | <u><b>986,198</b></u>   | <u>1,793,368</u> |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 1. GENERAL

Sinolink Worldwide Holdings Limited (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 Company and its subsidiaries (collectively referred to as the “Group”) continues to operate existing property development, property management, property investment and financing services, while the Group also focuses on financial technology (FinTech) investment and management.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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. SIGNIFICANT EVENTS AND TRANSACTION IN THE CURRENT INTERIM PERIOD

The outbreak of Coronavirus disease 2019 (“COVID-19”) and the subsequent quarantine measure imposed in the PRC has negative impacts to the economy and business environment. It directly and indirectly affected the operations of the Group. The Group granted rent concession to certain tenants during the six months ended 30 June 2020 with an aim to help the tenants to overcome the challenging situation. As such, the financial positions and performance of the Group were affected in different aspects, including reduction in rental income and fair value loss of investment properties as disclosed in the relevant notes. COVID-19 also affected the operations of the associates of the Group. Details of the impact to the associates are disclosed in note 13.

## 3. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 3. *PRINCIPAL ACCOUNTING POLICIES (Cont'd)*

### *Application of amendments to HKFRSs*

In the current interim period, the Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

|  |                                |
|--|--------------------------------|
| Amendments to HKAS 1 and HKAS 8            | Definition of Material         |
| Amendments to HKFRS 3                      | Definition of a Business       |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform |

Except as described below, the application of the Amendments to Reference to the Conceptual Framework in HKFRS Standard and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### *3.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"*

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Change in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 4. REVENUE AND SEGMENT INFORMATION

### (A) Revenue

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

|   | <b>Six months ended</b> |             |
|---|-------------------------|-------------|
|   | <b>30.6.2020</b>        | 30.6.2019   |
|   | <b>HK\$'000</b>         | HK\$'000    |
|   | <b>(unaudited)</b>      | (unaudited) |
| Recognised over time under HKFRS 15<br>"Revenue from Contracts with Customers"<br>("HKFRS 15"): |                         |             |
| – Property management fee income  | <b>60,261</b>           | 63,359      |
| – Others  | <b>30,436</b>           | 34,881      |
| Recognised at a point in time under HKFRS 15:   |                         |             |
| – Others  | <b>7,159</b>            | –           |
| Recognised under HKFRS 15   | <b>97,856</b>           | 98,240      |
| Recognised under other HKFRSs:  |                         |             |
| – Rental income   | <b>76,527</b>           | 110,789     |
| – Interest income from financing services<br>business   | <b>11,013</b>           | 7,943       |
|   | <b>185,396</b>          | 216,972     |

HK\$178,237,000 (six months ended 30 June 2019: HK\$216,972,000) and HK\$7,159,000 (six months ended 30 June 2019: nil) of the Group's revenue is generated from the PRC and Hong Kong, respectively.

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### (A) Revenue (Cont'd)

For the six months ended 30 June 2020 (unaudited)

|  | Property<br>management<br>HK\$'000 | Property<br>investment<br>HK\$'000 | Financing<br>services<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------------------|------------------------------------|-----------------------------------|--------------------|-------------------|
| Property management fee<br>income                      | 60,261                             | -                                  | -                                 | -                  | 60,261            |
| Others   | -                                  | -                                  | 7,159                             | 30,436             | 37,595            |
| <b>Revenue from contracts<br/>with customers</b>       | <b>60,261</b>                      | <b>-</b>                           | <b>7,159</b>                      | <b>30,436</b>      | <b>97,856</b>     |
| Rental income  | -                                  | 76,527                             | -                                 | -                  | 76,527            |
| Interest income from<br>financing services<br>business | -                                  | -                                  | 11,013                            | -                  | 11,013            |
| <b>Total revenue</b>                                   | <b>60,261</b>                      | <b>76,527</b>                      | <b>18,172</b>                     | <b>30,436</b>      | <b>185,396</b>    |

For the six months ended 30 June 2019 (unaudited)

|  | Property<br>management<br>HK\$'000 | Property<br>investment<br>HK\$'000 | Financing<br>services<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------------------|------------------------------------|-----------------------------------|--------------------|-------------------|
| Property management fee<br>income                      | 63,359                             | -                                  | -                                 | -                  | 63,359            |
| Others   | -                                  | -                                  | -                                 | 34,881             | 34,881            |
| <b>Revenue from contracts<br/>with customers</b>       | <b>63,359</b>                      | <b>-</b>                           | <b>-</b>                          | <b>34,881</b>      | <b>98,240</b>     |
| Rental income  | -                                  | 110,789                            | -                                 | -                  | 110,789           |
| Interest income from<br>financing services<br>business | -                                  | -                                  | 7,943                             | -                  | 7,943             |
| <b>Total revenue</b>                                   | <b>63,359</b>                      | <b>110,789</b>                     | <b>7,943</b>                      | <b>34,881</b>      | <b>216,972</b>    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### (B) Segment information

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

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

Six months ended 30 June 2020 (unaudited)

|  | Property<br>development<br>HK\$'000 | Property<br>investment<br>HK\$'000 | Property<br>management<br>HK\$'000 | Financing<br>services<br>HK\$'000 | Total for<br>reportable<br>segments<br>HK\$'000 | Others<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|-------------------------------------|------------------------------------|------------------------------------|-----------------------------------|---|--------------------|--------------------------|
| REVENUE  |                                     |                                    |                                    |                                   |   |                    |                          |
| External sales   | -                                   | 76,527                             | 60,261                             | 18,172                            | 154,960   | 30,436             | 185,396                  |
| RESULT   |                                     |                                    |                                    |                                   |   |                    |                          |
| Segment result   | (2,308)                             | 32,243                             | 4,597                              | 2,601                             | 37,133  | (1,535)            | 35,598                   |
| Other income   |                                     |                                    |                                    |                                   |   |                    | 44,167                   |
| Unallocated corporate expenses   |                                     |                                    |                                    |                                   |   |                    | (28,925)                 |
| Unallocated other gains and losses   |                                     |                                    |                                    |                                   |   |                    | (4,610)                  |
| Fair value gain on other financial assets at FVTPL                                 |                                     |                                    |                                    |                                   |   |                    | 13,385                   |
| Fair value loss on loan receivable from associates and amounts due from associates |                                     |                                    |                                    |                                   |   |                    | (97,537)                 |
| Share of results of associates   |                                     |                                    |                                    |                                   |   |                    | (218,754)                |
| Finance costs  |                                     |                                    |                                    |                                   |   |                    | (18,010)                 |
| Loss before taxation   |                                     |                                    |                                    |                                   |   |                    | (274,686)                |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### (B) Segment information (Cont'd)

Six months ended 30 June 2019 (unaudited)

|   | Property<br>development<br>HK\$'000 | Property<br>investment<br>HK\$'000 | Property<br>management<br>HK\$'000 | Financing<br>services<br>HK\$'000 | Total for<br>reportable<br>segments<br>HK\$'000 | Others<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---|-------------------------------------|------------------------------------|------------------------------------|-----------------------------------|---|--------------------|--------------------------|
| <b>REVENUE</b>  |                                     |                                    |                                    |                                   |   |                    |                          |
| External sales  | -                                   | 110,789                            | 63,359                             | 7,943                             | 182,091   | 34,881             | 216,972                  |
| <b>RESULT</b>   |                                     |                                    |                                    |                                   |   |                    |                          |
| Segment result  | (1,221)                             | 100,954                            | 2,895                              | (439)                             | 102,189   | (4,362)            | 97,827                   |
| Other income  |                                     |                                    |                                    |                                   |   |                    | 56,940                   |
| Unallocated corporate<br>expenses   |                                     |                                    |                                    |                                   |   |                    | (29,933)                 |
| Other gains and losses  |                                     |                                    |                                    |                                   |   |                    | 309                      |
| Fair value gain on other<br>financial assets at FVTPL                                       |                                     |                                    |                                    |                                   |   |                    | 13,850                   |
| Fair value loss on loan<br>receivable from<br>associates and amounts<br>due from associates |                                     |                                    |                                    |                                   |   |                    | (73,961)                 |
| Share of results of associates  |                                     |                                    |                                    |                                   |   |                    | (109,040)                |
| Finance costs   |                                     |                                    |                                    |                                   |   |                    | (17,153)                 |
| Loss before taxation  |                                     |                                    |                                    |                                   |   |                    | (61,161)                 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### (B) Segment information (Cont'd)

Segment result represents the profit earned/loss incurred by each segment without allocation of other income, unallocated corporate expenses, other gains and losses, share of results of associates, fair value gain on other financial assets at FVTPL, fair value loss on loan receivables from associates and amounts due from associates and certain finance costs and taxation.

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

There is no seasonality of the operation of the Group.

## 5. OTHER INCOME/OTHER GAINS AND LOSSES

|  | <b>Six months ended</b> |               |
|--|-------------------------|---------------|
|  | <b>30.6.2020</b>        | 30.6.2019     |
|  | <b>HK\$'000</b>         | HK\$'000      |
|  | <b>(unaudited)</b>      | (unaudited)   |
| <b>Other income comprises:</b>                           |                         |               |
| Dividends from listed securities                         | 641                     | 1,654         |
| Interest income on bank deposits                         | 35,524                  | 44,314        |
| Interest income on other financial assets at FVTPL       | 3,503                   | 8,357         |
| Others   | 4,499                   | 2,615         |
|  | <u>44,167</u>           | <u>56,940</u> |
| <b>Other gains and losses comprises:</b>                 |                         |               |
| Net exchange loss  | (4,610)                 | (1,834)       |
| (Provision for) reversal of provision for loss allowance |                         |               |
| – loans receivables                                      | (2,735)                 | 1,493         |
| – finance lease receivables                              | –                       | 891           |
| – trade receivables                                      | (4,698)                 | 35            |
| Gain on disposal of an associate                         | –                       | 103           |
| Others   | –                       | (379)         |
|  | <u>(12,043)</u>         | <u>309</u>    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 6. FINANCE COSTS

|  | Six months ended |               |
|--|------------------|---------------|
|  | 30.6.2020        | 30.6.2019     |
|  | HK\$'000         | HK\$'000      |
|  | (unaudited)      | (unaudited)   |
| Interest on borrowings                   | 16,660           | 15,979        |
| Interest on lease liabilities            | 503              | 286           |
| Interest on deposits received for rental | 847              | 888           |
|  | <u>18,010</u>    | <u>17,153</u> |

## 7. TAXATION

|                           | Six months ended |               |
|---------------------------|------------------|---------------|
|                           | 30.6.2020        | 30.6.2019     |
|                           | HK\$'000         | HK\$'000      |
|                           | (unaudited)      | (unaudited)   |
| The charge comprises:     |                  |               |
| Current tax               |                  |               |
| PRC Enterprise Income Tax | 25,046           | 20,319        |
| Deferred taxation         | (8,611)          | 7,055         |
|                           | <u>16,435</u>    | <u>27,374</u> |

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 is calculated at the rate of 25% (six months ended 30 June 2019: 25%) of their assessable profits for the six months ended 30 June 2020 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 7. TAXATION (Cont'd)

In addition, Land Appreciation Tax (“LAT”) shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation’s official circulars, LAT shall be payable provisionally upon entering into pre-sales contracts of the properties, followed by final ascertainment of the gain at the completion of the properties development.

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.

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 2012/13. During the six months ended 30 June 2020, the IRD has issued estimated/additional assessments demanding final tax to the subsidiary of the Company for the year of assessment 2013/2014 (together with the previous assessments raised by the IRD, the “Assessments”). The Group did not acquire additional tax certificate against the Assessments raised in the current interim period for the year of assessment 2013/2014. Up to 30 June 2020, the IRD has issued Assessments for the years of assessment 2006/2007 to 2013/2014 and the Group has purchased tax reserve certificates of approximately HK\$134,750,000 (31 December 2019: 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 these 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.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 7. TAXATION (Cont'd)

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 2020, the Group has purchased tax reserve certificate of approximately HK\$23,649,000 (31 December 2019: 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.

## 8. LOSS FOR THE PERIOD

| Six months ended |             |
|------------------|-------------|
| 30.6.2020        | 30.6.2019   |
| HK\$'000         | HK\$'000    |
| (unaudited)      | (unaudited) |

Loss for the period has been arrived at after charging:

|   |               |        |
|---|---------------|--------|
| Depreciation of right-of-use assets                 | <b>5,464</b>  | 5,390  |
| Depreciation of other property, plant and equipment | <b>15,363</b> | 25,371 |
| Total   | <b>20,827</b> | 30,761 |

## 9. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period (six months ended 30 June 2019: nil). The directors resolved that no dividend will be paid in respect of the interim period (six months ended 30 June 2019: nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 10. LOSS PER SHARE

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

|   | Six months ended     |                      |
|---|----------------------|----------------------|
|   | 30.6.2020            | 30.6.2019            |
|   | HK\$'000             | HK\$'000             |
|   | (unaudited)          | (unaudited)          |
| Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share | <u>(300,434)</u>     | <u>(112,190)</u>     |
|   | Number of shares     |                      |
|   | 30.6.2020            | 30.6.2019            |
| Number of ordinary shares for the purpose of basic and diluted loss per share                                 | <u>3,541,112,832</u> | <u>3,541,112,832</u> |

The computation of diluted loss 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.

## 11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$3,314,000 (six months ended 30 June 2019: HK\$2,799,000).

In previous years, the Group has provided an accumulated impairment of HK\$88,211,000 on the hotel buildings and related building improvement. As the recoverable amount of hotel buildings, which was accessed based on fair value less cost of disposal, was approximate to the carrying amount of that as at 30 June 2020, there is no impairment or reversal of impairment recognised in current interim period.

During the current interim period, the Group entered into a new lease agreement for the use of staff quarter for two years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised HK\$715,000 of right-of-use assets and lease liabilities.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 12. INVESTMENT PROPERTIES

|  | <i>HK\$'000</i>         |
|--|-------------------------|
| FAIR VALUE   |                         |
| At 1 January 2020 (audited)  | 2,599,888               |
| Decrease in fair value of investment properties                    | (36,384)                |
| Exchange realignment   | <u>(48,520)</u>         |
| At 30 June 2020 (unaudited)  | <u><u>2,514,984</u></u> |
| Unrealised loss on property revaluation included in profit or loss | <u><u>(36,384)</u></u>  |
| At 1 January 2019 (audited)  | 2,654,600               |
| Exchange realignment   | <u>(12,067)</u>         |
| At 30 June 2019 (unaudited)  | <u><u>2,642,533</u></u> |
| Unrealised gain on property revaluation included in profit or loss | <u><u>–</u></u>         |

The fair values of the investment properties as at 30 June 2020 and 31 December 2019 have been arrived at on the basis of a valuation carried out on those dates by Messrs. 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 capitalising 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

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 13. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

|  | <b>30.6.2020</b>      | 31.12.2019     |
|--|-----------------------|----------------|
|  | <b>HK\$'000</b>       | HK\$'000       |
|  | <b>(unaudited)</b>    | (audited)      |
| Cost of unlisted interests in associates (note i)  | <b>1,261,766</b>      | 610,767        |
| Share of post-acquisition results (note iii)   | <b>(307,525)</b>      | (208,821)      |
|  | <b><u>954,241</u></b> | <u>401,946</u> |
| Amounts due from associates  |                       |                |
| – measured at FVTPL (note ii)  | <b>41,347</b>         | –              |
| Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment (note iii) | <b>(41,347)</b>       | –              |
|  | <b><u>–</u></b>       | <u>–</u>       |

Notes:

- (i) During the six months ended 30 June 2020, the Group has further subscribed for 588,000,000 new ordinary shares of one of the Group's associates, ZhongAn Technologies International Group Limited ("ZhongAn International"), in proportion to its existing shareholding for HK\$650,999,000 in cash. Upon the subscription of shares, the Group continues to hold 49% equity interests in ZhongAn International.
- (ii) 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 asset. The directors of the Company have assessed the fair value of the amounts due from the Group's associate, namely Rockefeller Group Asia Pacific, Inc. ("RGAP"), together with the loan receivable from RGAP. Please refer to note 15 for the details.
- (iii) During the six months ended 30 June 2020, the Group's share of loss from associates was mainly arisen from RGAP of HK\$120,050,000 and ZhongAn International of HK\$99,471,000. The loss from by RGAP is mainly due to the Group's share of the fair value loss of investment properties of HK\$73,765,000 and net exchange loss of HK\$38,809,000 on foreign currency borrowings. The loss incurred by ZhongAn International is mainly due to staff costs and professional fees for the newly start-up operations during the period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 14. LOAN RECEIVABLES

|  | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Factoring loans receivables with recourse (note (i)) | <b>110,006</b>  | 113,406                                    |
| Other loans receivables (note (ii))                  | <b>309,830</b>  | 308,437                                    |
|  | <b>419,836</b>  | 421,843                                    |
| Less: allowance for credit loss                      | <b>(5,435)</b>  | (2,768)                                    |
| Total  | <b>414,401</b>  | 419,075                                    |
|  | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
| The loan receivables analysed as follows:            |   |  |
| Current  | <b>414,401</b>  | 419,075                                    |

Notes:

- (i) The Group provides loan factoring services to independent third parties, in terms of which the independent third parties factor to the Group a portfolio of loans or receivables originated by them to the underlying customers. According to the factoring 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 of receivables from the underlying customers. Also, such receivable is guaranteed by the independent third parties and repayable by instalment based on the terms of the factoring agreement. In the event of default of repayment by the underlying customers, the Group has the right to request independent third parties to repurchase the outstanding receivables of the underlying customers plus accrued interest. The independent third parties are obliged to repay to the Group within 5 days upon their collection of money from the underlying customers, and the Group expects to realise such amounts by collecting the repayments from the independent third parties. The effective interest rates of the factoring loans receivables is 5.5% (31 December 2019: range from 5.7% to 7.6%) per annum as at 30 June 2020. The management of the Group reviews and assesses for impairment loans receivables originated by them individually and continues to monitor any significant changes.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 14. LOAN RECEIVABLES (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

As at 30 June 2020 and 31 December 2019, none of the factoring loans receivables is past due or credit-impaired.

(ii) Other loans receivables to independent third parties are unsecured and carried interest rate ranged from 4.0% to 8.0% (31 December 2019: 4.0% to 6.5%) per annum.

As part of the Group's credit risk management, the debtors are assessed individually by the management of the Group as at 30 June 2020 and 31 December 2019 by reference to past default experience, current past due exposure of the debtor, the nature and prospect of the debtor's operation. The loss rate ranging from 0.6% to 2.4% (31 December 2019: 0.3% to 1.2%) is applied to the debtors. As at 30 June 2020, the impairment loss allowance on loans receivables is HK\$5,435,000 (31 December 2019: HK\$2,768,000).

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors, the realisation of collateral and guarantee and study of other corporates' default and recovery data from international credit-rating agencies including Moody's and Standard and Poor's, and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort.

During the current interim period, the Group recognises the provision for loss allowance of HK\$2,735,000 (six months ended 30 June 2019 (unaudited): reversal of provision for loss allowance of HK\$1,493,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 15. LOAN RECEIVABLE FROM ASSOCIATES

|   | <b>30.6.2020</b>   | 31.12.2019 |
|---|--------------------|------------|
|   | <b>HK\$'000</b>    | HK\$'000   |
|   | <b>(unaudited)</b> | (audited)  |
| Shareholder's loan receivable   |                    |            |
| – measured at FVTPL   | <b>935,313</b>     | 935,313    |
| Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment | <b>(935,313)</b>   | (856,610)  |
|   | <b>–</b>           | 78,703     |

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 loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors of the Company consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

Loan receivable from associates as well as the amounts due from associates as stated in note 13 represent an investment in the project of RGAP. In accordance with the investment agreement, the Group and the other shareholder contributed minimal amount of capital and substantially all portion of the associates' capital expenditures/operations were funded through loan receivable from associates and amounts due from associates by the Group and a detailed analysis of the particular facts and circumstances at the date of origination of the advances led to the conclusion that the contractual cash flows of the advances did not represent purely a return on time value of money and credit risk. Hence, loan receivable from associates as well as the amounts due from associates are both measured at FVTPL. The directors of the Company assessed the fair value of the loan receivable from associates and amounts due from associates by taking into consideration the estimated future cash flows and timing of such cash flows discounted at market interest rate. Details of the valuation techniques and key inputs are stated in note 30.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 16. STOCK OF PROPERTIES

|                              | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|------------------------------|---|--|
| Properties under development | <b>858,361</b>  | 866,726                                    |

As at 30 June 2020, properties under development of HK\$858,361,000 (31 December 2019: HK\$866,726,000) represent the carrying amount of the properties expected to be completed more than one year from the end of the reporting period upon the Group's revision on the selling strategy over the properties under development.

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

|   | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|---|---|--|
| Trade receivables from property management and property investment business | <b>11,586</b>   | 2,530                                      |
| Trade receivables from financing services                                   | <b>12,648</b>   | 12,887                                     |
|   | <b>24,234</b>   | 15,417                                     |
| Less: allowance for credit loss   | <b>(12,648)</b>   | (8,132)                                    |
| Total trade receivables   | <b>11,586</b>   | 7,285                                      |
| Interest receivables from bank deposits                                     | <b>67,668</b>   | 48,488                                     |
| Other receivables, deposits and prepayments                                 | <b>31,651</b>   | 37,250                                     |
|   | <b>110,905</b>  | 93,023                                     |



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 17. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The Group allows an average credit period ranging from 0 to 90 days (31 December 2019: 0 to 60 days) to its customers of property management and property investment business from invoices issuance dates as at 30 June 2020. Extended credit period is allowed to its customers of property management and property investment business as at 30 June 2020 in consideration of the impact to customers' business due to outbreak of COVID-19. The following is an aged analysis of trade receivables from property management and property investment services presented based on invoice dates at the end of reporting period.

|                | <b>30.6.2020</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|----------------|---|--|
| Aged:          |   |  |
| 0 to 60 days   | <b>7,223</b>  | 1,958                                      |
| 61 to 180 days | <b>3,728</b>  | 137  |
| Over 180 days  | <b>635</b>  | 435  |
|                | <b>11,586</b>   | 2,530                                      |

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

|               | <b>30.6.2020</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|---------------|---|--|
| Aged:         |   |  |
| Over 360 days | <b>-</b>  | 4,755                                      |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 17. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The Group applied simplified approach to provide for ECL prescribed by HKFRS 9 “Financial Instruments” (“HKFRS 9”). The Group assessed ECL for trade receivables from financial services individually. To measure the ECL of trade receivables from property management and property investments business, trade receivables have been grouped based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtor.

Management of the Group considers that the ECL for trade receivables is insignificant as the debtors have good settlement history, except for a debtor from financial services with gross carrying amount of HK\$12,648,000 (31 December 2019: HK\$12,887,000) as at 30 June 2020.

As at 31 December 2019, the directors of the Company did not consider this balance as in default in view of the continuous discussion and assessment of this debtor. As at 30 June 2020, the directors of the Company consider this balance as in default and credit-impaired in view of significant financial difficulty and suspension of the operation of the customer and no settlement arrangement could be made in current interim period after discussion with this debtor. Thus, the management of the Group considered a full impairment on the gross carrying amount of this debtor as at 30 June 2020. The management of the Group estimated a loss rate of 63.1% over the gross carrying amount of this debtor with the impairment loss allowance of HK\$8,132,000 as at 31 December 2019.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 18. EQUITY INSTRUMENTS AT FVTOCI

|  | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Equity instruments at FVTOCI comprise:                                       |   |  |
| Domestic shares of an entity listed in Hong Kong, at fair value (note i)     | <b>2,574,611</b>  | 1,884,893                                  |
| Unlisted equity securities in Hong Kong, the PRC and overseas, at fair value | <b>104,041</b>  | 109,699                                    |
| Total (note ii)  | <b><u>2,678,652</u></b>                                   | <b><u>1,994,592</u></b>                    |

Notes:

- (i) The Group held domestic shares of ZhongAn Online P&C Insurance Co., Ltd. (“ZhongAn Online”), which the marketability of domestic shares is different from the publicly-traded ordinary share capital of ZhongAn Online (“ZhongAn Online H Shares”). The fair value of investment in ZhongAn Online at 30 June 2020 and 31 December 2019 has been arrived at on the basis of a valuation carried out by an independent professional valuer not connected with the Group. Details of the fair value estimation are set out in note 30.
- (ii) The Group has made an irrevocable election to designate these investments in equity instruments as at FVTOCI.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 19. OTHER FINANCIAL ASSETS AT FVTPL

|  | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Equity securities listed in Hong Kong  | <b>11,534</b>   | 15,035                                     |
| Equity securities listed in overseas   | –   | 8,833                                      |
| Equity securities listed in the PRC  | <b>37,211</b>   | 43,152                                     |
| Investments in Redeemable Preference Shares (note i)                           | –   | 581,489                                    |
| Investments in redeemable convertible preference shares of an entity (note ii) | <b>62,837</b>   | 111,607                                    |
| Senior notes listed in Hong Kong   | <b>7,814</b>  | 14,352                                     |
| Senior notes listed overseas   | <b>18,049</b>   | 33,647                                     |
| Coupon notes linked with listed equity securities                              | <b>79,656</b>   | 53,129                                     |
| Unlisted fund investments in the PRC (note iii)                                | <b>180,918</b>  | 97,316                                     |
| Unlisted fund investments in overseas  | <b>84,964</b>   | 121,834                                    |
|  | <b><u>482,983</u></b>                                     | <b><u>1,080,394</u></b>                    |
| Current  | <b>337,999</b>  | 387,298                                    |
| Non-current  | <b>144,984</b>  | 693,096                                    |
|  | <b><u>482,983</u></b>                                     | <b><u>1,080,394</u></b>                    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 19. OTHER FINANCIAL ASSETS AT FVTPL (Cont'd)

Notes:

- (i) The Group had redeemable preference shares of ZhongAn International (“Redeemable Preference Shares”) of RMB480,000,000 as at 31 December 2019. ZhongAn International have the right to redeem from the Group all or any portion of Redeemable Preference Shares within 5 years from the date of the issuance of Redeemable Preference Shares (which term shall be renewed automatically every 5 years, subject to any veto by any of the Group or ZhongAn Information and Technology Services Co., Ltd.) at the principal amount of the Redeemable Preference Shares being redeemed plus simple rate of 5.5% per annum on the amount redeemed calculated from the date of the relevant contribution by the Group on pro-rata basis. The Group did not have any voting rights from Redeemable Preference Shares and did not have any right to receive dividend from ZhongAn International. In the event of liquidation of ZhongAn International, the Group ranks in priority to other classes of shares in ZhongAn International. As the rights and obligations of the ownership over Redeemable Preference Shares is different from the ownership of ordinary shares of ZhongAn International, the Group’s investment in Redeemable Preference Shares is accounted for in accordance with HKFRS 9 and measured at FVTPL.

During six months ended 30 June 2020, ZhongAn International exercises its rights to redeem all remaining Redeemable Preference Shares of the Group at consideration of RMB511,894,000, approximately of HK\$578,025,000. The Group has no investments in Redeemable Preference Shares as at 30 June 2020.

- (ii) In previous years, the Group subscribed redeemable convertible preference shares in MMT E Buy (Cayman) Corporation (“MMT E Buy”) with a cash consideration of HK\$113,482,000. As the rights and obligations of the ownership over this redeemable convertible preference shares are substantially different from the ownership of ordinary shares of the MMT E Buy, the Group’s investment in this redeemable convertible preference shares is accounted for in accordance with HKFRS 9 and measured at FVTPL.

During six months ended 30 June 2020, the Group disposed half of the subscribed redeemable convertible preference shares in MMT E Buy to the controlling shareholder of MMT E Buy at a consideration of HK\$63,197,000.

- (iii) The Group has committed to invest RMB150,000,000 for establishment of investment fund during the year ended 31 December 2019. Details of the term are disclosed in announcement of the Company dated 20 December 2019. During the six months ended 30 June 2020, the Group invested RMB75,000,000 (approximately HK\$82,147,000) in that investment fund.

Details of the fair value estimation are set out in note 30.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 20. 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 2020

| Principal amount | Maturity  | Annual coupon rate  | Note  |
|------------------|-----------|---------------------|-------|
| RMB171,000,000   | July 2020 | from 1.10% to 3.65% | (i)   |
| RMB170,000,000   | July 2020 | from 1.65% to 5.35% | (ii)  |
| RMB12,000,000    | July 2020 | from 1.65% to 4.15% | (iii) |

### At 31 December 2019

|                |                            |                    |     |
|----------------|----------------------------|--------------------|-----|
| RMB366,000,000 | February 2020 to July 2020 | from 0.3% to 4.05% | (i) |
|----------------|----------------------------|--------------------|-----|

Notes:

- (i) The annual interest rate is dependent on whether 3 month or 6 month London Inter Bank Offered Rate for deposits in United States Dollar falls within ranges as specified in the relevant deposit placements during the period from inception date to maturity date of the relevant agreements.
- (ii) The annual interest rate is dependent on whether exchange rate between Euro and United States dollar is higher than that as specified in the relevant deposit placements during the period from inception date to maturity date of the relevant agreements.
- (iii) The annual interest rate is 1.65% plus a percentage to 1-year Loan Prime Rate in the PRC.

Because the contractual cash flows of structured deposits do not represent solely the payments of principal and interest on the principal amount outstanding, structured deposits are measured at FVTPL. Details of the fair value measurement over the structured deposits are disclosed in note 30.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

|  | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Trade payables                               | <b>30,952</b>   | 35,054                                     |
| Other payables for construction work         | <b>180,621</b>  | 188,204                                    |
| Deposits received for rental                 | <b>33,198</b>   | 29,802                                     |
| Advance lease payments                       | <b>17,014</b>   | 22,929                                     |
| Deposits received for management fee         | <b>42,868</b>   | 53,384                                     |
| Other tax payables                           | <b>18,762</b>   | 17,506                                     |
| Salaries payables and staff welfare payables | <b>48,254</b>   | 58,677                                     |
| Other payables and accrued charges           | <b>57,763</b>   | 47,801                                     |
|  | <b>429,432</b>  | 453,357                                    |

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

|                 | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|-----------------|---|--|
| Aged:           |   |  |
| 0 to 90 days    | <b>3,808</b>  | 5,288                                      |
| 91 to 180 days  | <b>400</b>  | 3,030                                      |
| 181 to 360 days | <b>653</b>  | 154  |
| Over 360 days   | <b>26,091</b>   | 26,582                                     |
|                 | <b>30,952</b>   | 35,054                                     |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 22. LEASE LIABILITIES

|   | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|---|---|--|
| Lease Liabilities payable:  |   |  |
| Within one year   | <b>9,344</b>  | 8,895                                      |
| Within a period of more than one year but not more than two years                   | <b>7,077</b>  | 8,989                                      |
| Within a period of more than two year but not more than five years                  | <u>–</u>  | <u>2,297</u>                               |
|   | <b>16,421</b>   | 20,181                                     |
| Less: Amount due for the settlement after 12 months shown under current liabilities | <u><b>(9,344)</b></u>                                     | <u>(8,895)</u>                             |
| Amount due for the settlement after 12 months shown under non-current liabilities   | <u><b>7,077</b></u>                                       | <u>11,286</u>                              |

## 23. DEFERRED TAX ASSETS/LIABILITIES

The following is the analysis of the deferred tax balances for financial reporting purposes:

|                          | <b>30.6.2020</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--------------------------|---|--|
| Deferred tax assets      | <b>4,978</b>  | 3,191                                      |
| Deferred tax liabilities | <u><b>(998,061)</b></u>                                   | <u>(841,148)</u>                           |
|                          | <u><b>(993,083)</b></u>                                   | <u>(837,957)</u>                           |



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 23. DEFERRED TAX ASSETS/LIABILITIES (Cont'd)

The following are the major deferred tax (liabilities) and assets recognised and movements thereon during the current and prior years:

|   | Revaluation<br>on<br>investment<br>properties<br>HK\$'000 | Revaluation<br>of equity<br>instruments<br>at FVTOCI<br>HK\$'000 | Revaluation<br>of other<br>financial<br>assets<br>at FVTPL<br>HK\$'000 | ECL<br>provision<br>HK\$'000 | Undistributed<br>profits of<br>subsidiaries<br>HK\$'000 | Total<br>HK\$'000       |
|---|---|--|--|------------------------------|---|-------------------------|
| At 1 January 2019 (audited)             | (358,256)   | (423,855)  | (3,202)  | 828                          | (39,747)  | (824,232)               |
| Currency realignment                    | 8,018   | 10,508   | 213  | (58)                         | 725   | 19,406                  |
| (Charge) credit to profit or loss       | (1,136)   | -  | (7,920)  | 2,421                        | 9,091   | 2,456                   |
| Charge to other comprehensive<br>income | -   | (35,587)   | -  | -                            | -   | (35,587)                |
| At 31 December 2019 (audited)           | <b>(351,374)</b>  | <b>(448,934)</b>   | <b>(10,909)</b>  | <b>3,191</b>                 | <b>(29,931)</b>   | <b>(837,957)</b>        |
| Currency realignment                    | 6,482   | 9,499  | 204  | (71)                         | 572   | 16,686                  |
| Credit (charge) to profit or loss       | 9,096   | -  | (138)  | 1,858                        | (2,205)   | 8,611                   |
| Charge to other comprehensive<br>income | -   | (180,423)  | -  | -                            | -   | (180,423)               |
| At 30 June 2020 (unaudited)             | <b><u>(335,796)</u></b>                                   | <b><u>(619,858)</u></b>  | <b><u>(10,843)</u></b>   | <b><u>4,978</u></b>          | <b><u>(31,564)</u></b>                                  | <b><u>(993,083)</u></b> |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 24. SHARE CAPITAL

|   | Number of<br>shares | Amount<br>HK\$'000 |
|---|---------------------|--------------------|
| Ordinary shares of HK\$0.10 each  |                     |                    |
| Authorised:   |                     |                    |
| At 1 January 2019, 31 December 2019 (audited)<br>and 30 June 2020 (unaudited) | 6,000,000,000       | 600,000            |
| Issued and fully paid:  |                     |                    |
| At 1 January 2019, 31 December 2019 (audited)<br>and 30 June 2020 (unaudited) | 3,541,112,832       | 354,111            |

## 25. 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                     |                                      |
|--|----------------------------------|--------------------------------------|--------------------------------------|
|  |                                  | 30.6.2020<br>HK\$'000<br>(unaudited) | 30.6.2019<br>HK\$'000<br>(unaudited) |
| Associate:   |                                  |                                      |                                      |
| Shanghai Bund de<br>Rockefeller Group<br>Master Development<br>Co., Ltd. | Project management fee<br>income | 13,098                               | 13,098                               |

During the current interim period, the emoluments of key management personnel were HK\$7,228,000 (six months ended 30 June 2019 (unaudited): HK\$7,308,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 26. CONTINGENT LIABILITIES

|  | <b>30.6.2020</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties | <b>10,380</b>   | 11,057                                     |

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.

## 27. COMMITMENTS

|  | <b>30.6.2020</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | 31.12.2019<br><i>HK\$'000</i><br>(audited) |
|--|---|--|
| Commitments in respect of properties under development for sale:                     |   |  |
| – contracted for but not provided in the condensed consolidated financial statements | <b>33,353</b>   | 40,255                                     |
| Commitments in respect of establishment of investment fund (note 19(iii))            | <b>82,147</b>   | 167,411                                    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 28. PLEDGE OF OR RESTRICTIONS ON ASSETS

At 30 June 2020, pledged bank deposits of HK\$782,982,000 (31 December 2019: HK\$778,865,000), structured deposits of HK\$121,577,000 (31 December 2019: HK\$123,884,000) and investment properties with an aggregate carrying amount of HK\$501,643,000 (31 December 2019: HK\$517,817,000) were pledged to banks to secure general banking facilities granted to the Group.

### *Restrictions on assets*

In addition, lease liabilities of HK\$16,421,000 (31 December 2019: HK\$20,181,000) are recognised with related right-of-use assets of HK\$15,910,000 (31 December 2019: HK\$20,077,000) as at 30 June 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as a security for borrowing purposes.

## 29. 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 29. SHARE-BASED PAYMENTS (Cont'd)

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

|  | Number of share options   |
|--|---------------------------|
| At 1 January 2019 (audited) and 30 June 2019 (unaudited) | <u>114,000,000</u>        |
| At 1 January 2020 (audited) and 30 June 2020 (unaudited) | <u>114,000,000</u>        |
| Exercisable at 30 June 2020                              | <u><u>114,000,000</u></u> |

All share options granted have been vested during prior years. The share option is exercisable from the completion of vesting period to 14 May 2025 with exercise price of HK\$1.37.

As at 30 June 2020, the number of shares in respect of which options had been granted and remained outstanding under the 2012 Share Option Scheme was 114,000,000 (31 December 2019: 114,000,000), representing 3.2% (31 December 2019: 3.2%) of the shares of the Company in issue at that date.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

Some of the Group's financial assets and financial liabilities 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 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

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

*Fair value of the Group's financial assets and financial liabilities 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)   |
|---|--------------------------------------|-------------------------------------|----------------------|---|
|   | 30.6.2020<br>HK\$'000<br>(unaudited) | 31.12.2019<br>HK\$'000<br>(audited) |                      |   |
| Domestic shares of an entity listed in Hong Kong classified as equity instruments at FVTOCI | <b>2,574,611</b>                     | 1,884,893                           | Level 3              | Average-price Asian Put Option model (note i)   |
| Unlisted equity securities classified as equity instruments at FVTOCI                       | <b>104,041</b>                       | 109,699                             | Level 2              | Net asset value of the entity (i.e. fair value of the portfolio included in the entity)                     |
| Unlisted fund investments classified as financial assets at FVTPL                           | <b>265,882</b>                       | 219,150                             | Level 2              | Net asset value of fund (i.e. fair value of the portfolio included in the fund)                             |
| Investments in listed equity securities held-for-trading                                    | <b>48,745</b>                        | 67,020                              | Level 1              | Quoted bid prices in an active market   |
| Redeemable Preference Shares classified as financial assets at FVTPL                        | -                                    | 581,489                             | Level 3              | Discounted cash flow based on the estimated future cash flows that are discounted at rate of 5.5% (note ii) |
| Redeemable convertible preference shares classified as financial assets at FVTPL            | <b>62,837</b>                        | 111,607                             | Level 3              | Expected redemption price (note iii)  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

*Fair value of the Group's financial assets and financial liabilities 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)   |
|---|--------------------------------------|-------------------------------------|----------------------|---|
|   | 30.6.2020<br>HK\$'000<br>(unaudited) | 31.12.2019<br>HK\$'000<br>(audited) |                      |   |
| Coupon notes linked with listed equity securities classified as financial assets at FVTPL | <b>79,656</b>                        | 53,129                              | Level 3              | Quoted prices from financial institutions   |
| Investment in listed senior notes   | <b>25,863</b>                        | 47,999                              | Level 2              | Recent transaction prices   |
| Structured bank deposits  | <b>386,637</b>                       | 408,482                             | Level 3              | Quoted prices from financial institutions   |
| Loan receivable from associates   | -                                    | 78,703                              | Level 3              | Discounted cash flow based on the estimated future cash flows (including the key input of growth rate of 2.6% (31 December 2019: 3.0%)) that are expected to receive by the Group as well as the estimated timing of such receipts, discounted at a rate that reflects the credit risk of the associates of 19.0% (31 December 2019: 18.3%) (note iv) |
| Amounts due from associates   | -                                    | -                                   | Level 3              |   |



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

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

Notes:

- (i) The key inputs of valuation of ZhongAn Online's domestic shares at fair value included (i) share price of ZhongAn Online H Shares as at 30 June 2020 of HK\$38.35 (31 December 2019: HK\$28.10) per share; and (ii) discount for lack of marketability. The discount for lack of marketability is determined based on Average-price Asian put option model with unobservable inputs of (i) expected time for conversion of domestic shares to listed shares of 2 years (31 December 2019: 2.5 years), (ii) volatility of ZhongAn Online H Shares of 54% (31 December 2019: 50%); and (iii) expected dividend yield of 0% (31 December 2019: 0%).

A 1 year increase/decrease in expected time for conversion holding all other variables constant would decrease/increase the fair value on ZhongAn Online's domestic shares by HK\$97,541,000/HK\$140,140,000 (31 December 2019: HK\$59,937,000/HK\$80,268,000). A 5% increase/decrease volatility holding all other variables constant would decrease/increase the fair value on ZhongAn Online's domestic shares by HK\$41,359,000/HK\$42,865,000 (31 December 2019: HK\$33,220,000/HK\$34,645,000). A 5% increase in expected dividend yield all other variables constant would increase the fair value on ZhongAn Online's domestic shares by HK\$49,009,000 (31 December 2019: HK\$45,851,000).

- (ii) As at 31 December 2019, a 1% increase/decrease in the discount rate holding all other variables constant would decrease/increase the fair value of Redeemable Preference Shares by HK\$17,481,000/HK\$17,305,000.
- (iii) In January 2020, the Group has disposed 214,286 shares of redeemable convertible preference shares at consideration of RMB57,370,000 (equivalent to HK\$63,197,000).
- (iv) As at 31 December 2019, a 0.5% increase/decrease in the growth rate holding all other variables constant would increase/decrease the fair value on loan receivable from associates by HK\$45,801,000/HK\$41,932,000. A 0.5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the fair value on loan receivable from associates by HK\$39,041,000/HK\$50,127,000.

There were no transfers between Level 1, 2 and 3 during the current period.

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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

*Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities*

|  | Other<br>financial<br>assets at<br>FVTPL<br>HK\$'000 | Loan<br>receivables<br>from<br>associates<br>HK\$'000 | Amounts<br>due from<br>associates<br>HK\$'000 | Financial<br>assets<br>at FVTOCI<br>HK\$'000 | Structured<br>bank<br>deposits<br>HK\$'000 | Total<br>HK\$'000 |
|--|--|---|---|--|--|-------------------|
| At 1 January 2019 (audited)                        | 770,624  | 567,146   | 125,537                                       | 1,790,137                                    | 239,726                                    | 3,493,170         |
| Purchase   | 536,231  | -   | -   | -  | -  | 536,231           |
| Disposal/settlement                                | (594,539)  | -   | -   | -  | -  | (594,539)         |
| Placement of structured deposits                   | -  | -   | -   | -  | 725,000                                    | 725,000           |
| Withdrawal of structured deposits                  | -  | -   | -   | -  | (547,727)                                  | (547,727)         |
| Advance to associates                              | -  | -   | 13,899  | -  | -  | 13,899            |
| Repayment from associates                          | -  | (145,750)   | (139,436)                                     | -  | -  | (285,186)         |
| Share of results of associate                      | -  | (134,693)   | -   | -  | -  | (134,693)         |
| Currency realignment                               | (1,875)  | (5,000)   | -   | (42,407)                                     | (8,517)                                    | (57,799)          |
| Fair value change to profit or loss                | 35,784   | (203,000)   | -   | -  | -  | (167,216)         |
| Fair value change to other<br>comprehensive income | -  | -   | -   | 137,163                                      | -  | 137,163           |
| At 31 December 2019 (audited)                      | <b>746,225</b>                                       | <b>78,703</b>   | -   | <b>1,884,893</b>                             | <b>408,482</b>                             | <b>3,118,303</b>  |
| Purchase   | 202,275  | -   | -   | -  | -  | 202,275           |
| Disposal/settlement                                | (239,897)  | -   | -   | -  | -  | (239,897)         |
| Redemption   | (578,025)  | -   | -   | -  | -  | (578,025)         |
| Placement of structured deposits                   | -  | -   | -   | -  | 266,814                                    | 266,814           |
| Withdrawal of structured deposits                  | -  | -   | -   | -  | (281,147)                                  | (281,147)         |
| Advance to associates                              | -  | -   | 139,754                                       | -  | -  | 139,754           |
| Share of results of associate                      | -  | (78,703)  | (41,347)                                      | -  | -  | (120,050)         |
| Currency realignment                               | (155)  | -   | (870)   | (39,907)                                     | (7,512)                                    | (48,444)          |
| Fair value change to profit or loss                | 12,070   | -   | (97,537)                                      | -  | -  | (85,467)          |
| Fair value change to other<br>comprehensive income | -  | -   | -   | 729,625                                      | -  | 729,625           |
| At 30 June 2020 (unaudited)                        | <b>142,493</b>                                       | -   | -   | <b>2,574,611</b>                             | <b>386,637</b>                             | <b>3,103,741</b>  |