THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

MAJOR TRANSACTION

ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED

AND

NOTICE OF SPECIAL GENERAL MEETING

A letter from the Board is set out on pages 4 to 11 of this circular.

The notice convening the special general meeting ("**SGM**") of the Company to be held at the Board Room, 28th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Wednesday, September 4, 2019 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the SGM (or any adjournment thereof) should you so wish.

* *For identification purpose only*

August 16, 2019

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

"%"	per cent;
"2018 RPS Subscription"	the subscription by the Company of 482,438,000 and 44,012,500 Redeemable Preference Shares for cash consideration of RMB482,438,000 (equivalent to approximately HK$550 million) and RMB44,012,500 (equivalent to approximately HK$50 million), respectively, pursuant to the terms and conditions of the Joint Venture Agreement (as amended by the Amendment Agreement);
"Affiliate"	with respect to any person, any person directly or indirectly controlling, controlled by or under common control with such person;
"Amendment Agreement"	the amendment agreement dated March 28, 2018 entered into by the Company and ZhongAn Technology to amend certain terms of the Joint Venture Agreement;
"Announcement"	the announcement of the Company dated July 18, 2019 relating to the Share Subscription Agreement;
"associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Board"	the board of Directors of the Company;
"Business Day"	a day (other than a Saturday or Sunday) officially identified by government or authorities as a working day in Hong Kong;
"Company"	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1168);
"Completion"	the completion of the Sinolink Subscription and the ZhongAn Subscription, which shall take place in tranches in accordance with the terms and conditions of the Share Subscription Agreement;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Insuretech"	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model;
"Joint Venture Agreement"	the joint venture formation agreement entered into between the Company and ZhongAn Technology, a wholly-owned subsidiary of ZAOIL, dated December 8, 2017;
"JVCo"	ZhongAn Technologies International Group Limited (眾安科技(國際)集團有限公司), a Hong Kong limited liability company jointly invested by the Company and ZhongAn Technology pursuant to the Joint Venture Agreement (as amended by the Amendment Agreement);
"JV Group"	JVCo and its subsidiaries;
"JVCo Ordinary Shares"	the voting ordinary shares in the share capital of JVCo;
"Latest Practicable Date"	August 14, 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time);
"Long Stop Date"	the date that is twenty four (24) months after the date of the Share Subscription Agreement, or such other date as the parties may agree in writing;
"PRC"	the People's Republic of China and for the purpose of this circular, excludes Hong Kong, Taiwan and Macau Special Administrative Region;
"Redeemable Preference Share(s)"	the redeemable preference share(s) in the share capital of JVCo that may be issued according to the terms and conditions of the Joint Venture Agreement (as amended by the Amendment Agreement) and the articles of association of JVCo (as amended and restated from time to time), which do not confer voting rights on the holders thereof, except under certain circumstances where the rights of such holders are affected;
"RMB"	Renminbi, the lawful currency of the PRC;
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Subscription Agreement and the Sinolink Subscription;

"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Share Subscription Agreement"	the share subscription agreement entered into among the Company, ZhongAn Technology and JVCo in relation to the Sinolink Subscription and the ZhongAn Subscription, dated July 18, 2019;
"Shareholder(s)"	holder(s) of the Share(s);
"Sinolink Subscription"	the subscription by the Company of an aggregate of 980,000,000 new JVCo Ordinary Shares for a total subscription price of RMB960,784,313.73 pursuant to the terms and conditions of the Share Subscription Agreement;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"USD"	United States dollars, the lawful currency of the United States;
"ZAOIL"	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C" whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 6060);
"ZhongAn Subscription"	the subscription by ZhongAn Technology of an aggregate of 1,020,000,000 new JVCo Ordinary Shares for a total subscription price of RMB1,000,000,000 pursuant to the terms and conditions of the Share Subscription Agreement; and
"ZhongAn Technology"	ZhongAn Information Technology Services Co., Ltd.* (眾安信息技術服務有限公司), a wholly-owned subsidiary of ZAOIL, incorporated in the PRC on July 7, 2016.

* *for identification purposes only*

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

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

Non-executive Directors:
Ou Yaping
Ou Jin Yi Hugo
Tang Yui Man Francis

Independent non-executive Directors:
Tian Jin
Xiang Bing
Xin Luo Lin

Registered Office:
Clarendon House
2 Church Street
Hamilton
HM11 Bermuda

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

August 16, 2019

To Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED

AND

NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Share Subscription Agreement and the Sinolink Subscription.

* *For identification purpose only*

On July 18, 2019, the Company entered into the Share Subscription Agreement with ZhongAn Technology and JVCo. Pursuant to the Share Subscription Agreement, the Company conditionally agreed to subscribe for, and JVCo conditionally agreed to allot and issue, an aggregate of 980,000,000 new JVCo Ordinary Shares for a total subscription price of RMB960,784,313.73.

The purpose of this circular is to provide you with, among others, (i) further details of the Share Subscription Agreement and Sinolink Subscription; (ii) the financial information of the Group; (iii) the financial information of JVCo; and (iv) the notice of the SGM.

MATERIAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENT

The material terms of the Share Subscription Agreement are as follows:

Date

July 18, 2019

Parties

1) The Company;

2) ZhongAn Technology; and

3) JVCo.

Subject Matter

Pursuant to the Share Subscription Agreement, (1) the Company conditionally agreed to subscribe for, and JVCo conditionally agreed to allot and issue, an aggregate of 980,000,000 new JVCo 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 JVCo conditionally agreed to allot and issue, an aggregate of 1,020,000,000 new JVCo Ordinary Shares for a total subscription price of RMB1,000,000,000 payable in cash.

The subscription price is determined after arm’s length negotiations among the Company, ZhongAn Technology and JVCo with reference to (1) the current net asset value of JVCo, (2) the financial needs of JVCo for the operation and expansion of its business, and (3) the growth prospects of JVCo. The subscription price payable by the Company to JVCo will be funded by internal resources.

Completion

Subject to the conditions as set out below, the parties agree that the Completion shall take place in tranches based on the actual financial needs of JVCo.

Each Completion is conditional upon the fulfillment (or waiver in accordance with the Share Subscription Agreement) of, inter alia, the following conditions on or before the Long Stop Date:

1) the compliance of all requirements of the regulatory authorities or any applicable laws, regulations and the Listing Rules by JVCo, the Company and ZhongAn Technology (and respective Affiliates of the Company and ZhongAn Technology, as the case may be) at any time prior to each Completion in relation to the transactions contemplated under the Share Subscription Agreement (including the obtaining of the Shareholders' approval in respect of the Sinolink Subscription); and

2) each of the warranties and representations remaining true and accurate on and as of each Completion and there having been no breach by any of the parties of any obligations, undertakings, and warranties under the Share Subscription Agreement.

Each Completion shall take place no later than fifteen (15) Business Days after all conditions in respect of such tranche of Completion have been fulfilled or waived, or such other date as the parties may agree in writing. If any of the aforementioned conditions has not been satisfied before the Long Stop Date, the Share Subscription Agreement shall terminate with immediate effect in accordance with its terms.

Upon final Completion, the voting interest held by ZhongAn Technology and the Company in JVCo shall remain 51% and 49%, respectively. Pursuant to the Joint Venture Agreement, the board of directors of JVCo ("**JVCo Board**") consists of three directors, of which the Company is entitled to designate one director and ZhongAn Technology is entitled to designate two directors. To safeguard the interests of the Company in JVCo, there are certain reserved matters as provided under the Joint Venture Agreement which shall be approved by a simple majority with the approval from at least one director of JVCo designated by the Company and ZhongAn Technology, respectively. The reserved matters include, but are not limited to, change in the capitalization of JVCo, sale or disposal of any assets of JVCo (other than in the ordinary course of business), major investment by JVCo, change in the size of JVCo Board and the entering into of any merger, significant divestiture or acquisition or wind-up of affairs by JVCo.

As disclosed in note 18 to the financial statements of JVCo set out in Appendix II to this circular, the JV Group has recharge arrangement with ZhongAn Technology and ZAOIL which allows the JV Group to use and occupy certain resources of ZhongAn Technology and ZAOIL, such as designated employees and office premises, to support its business and operation. Such recharge arrangement is reviewed by and requires approval of the board representative of the Company before JVCo is recharged any operating expenses. The actual operating expenses attributable to the JV Group are recharged monthly on a cost basis and are firstly verified and approved by the management of JVCo before it is approved by JVCo Board.

Termination

The Share Subscription Agreement may be terminated by written notice given at any time:

1) by mutual written consent of all of the parties; or

2) by any of the parties, if a material breach of the Share Subscription Agreement has been committed by another party and such breach has not been waived or cured within thirty (30) days after the receipt of the notice thereof, provided, however, such termination shall not relieve the breaching party of liability for such breach or otherwise.

FINANCIAL INFORMATION ON JVCO

JVCo was established in Hong Kong with limited liability on September 22, 2017. Set out below is the audited financial information of JVCo as prepared in accordance with Hong Kong Financial Reporting Standards for the period ended December 31, 2017 and financial year ended December 31, 2018, respectively:

	For the period ended December 31, 2017	**For the year ended December 31, 2018**
	HK$'000	*HK$'000*
Net profit/(loss) before taxation	684	(128,828)
Net profit/(loss) after taxation	684	(129,125)

The audited net asset value of JVCo were HK$1,001,656,503 as at June 30, 2019.

REASONS FOR AND BENEFITS OF THE SINOLINK SUBSCRIPTION

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

The Directors are of the view that the Share Subscription Agreement has been entered into on normal commercial terms, and the terms of the Share Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Ou Yaping, being a non-executive Director of the Company and the chairman and an executive director of ZAOIL, and Mr. Ou Jin Yi Hugo, being a non-executive Director of the Company and an executive director of ZAOIL, have abstained from voting on the relevant resolutions of the Board in relation to the Share Subscription Agreement and matters contemplated therein.

Save as disclosed above, none of the Directors has any material interest in the Share Subscription Agreement and matters contemplated therein nor is any of them required to abstain from voting on the relevant resolutions of the Board.

INFORMATION ON THE PARTIES

The Company was incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange. Its principal business activity is property development, property management, property investment, financial services and asset financing.

ZhongAn Technology is a company incorporated in the PRC with limited liability and is a direct wholly-owned subsidiary of ZAOIL. ZAOIL is a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C" whose H shares are listed on the Main Board of the Stock Exchange. ZAOIL is an online Insuretech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of five major ecosystems, namely lifestyle consumption, consumer finance, health, auto and travel ecosystems.

JVCo is a company incorporated in Hong Kong with limited liability and is a subsidiary of ZAOIL. JVCo focuses on providing innovative technologies and solutions for the traditional insurance companies, developing integrated insurance and financial solutions for the internet platforms and virtual bank. As at the Latest Practicable Date, ZhongAn Technology and the Company are interested in 51% and 49% of the voting interest in JVCo, respectively.

As at the Latest Practicable Date, the operating subsidiaries of JVCo are as follows:

Name of subsidiary	Place of incorporation	Date of Incorporation	Percentage interest of JVCo	Principal activities
ZA Tech Global Limited (formerly known as ZA Tech Global Limited 安安科技國際有限公司)	Hong Kong	May 28, 2018	49%	Technology Development/ Technology Consulting
ZA Tech Global (Cayman) Limited	Cayman Islands	June 14, 2018	49%	Technology Development/ Technology Consulting
ZA Tech Japan Inc. (formerly known as ZA Tech Japan GK)	Japan	July 3, 2018	49%	Technology Development/ Technology Consulting
ZhongAn Financial Services Limited (眾安金融服務有限公司)	Hong Kong	August 3, 2018	100%	Investment holding

Name of subsidiary	Place of incorporation	Date of Incorporation	Percentage interest of JVCo	Principal activities
ZA Bank Limited (眾安銀行有限公司) (formerly known as ZhongAn Virtual Finance Limited 眾安虛擬金融有限公司)	Hong Kong	August 8, 2018	100%	Virtual Bank
ZA Life Limited (眾安人壽有限公司)	Hong Kong	February 27, 2019	65%	Insurance (in the process of obtaining virtual insurance license)
ZA Tech Global (Singapore) Pte. Ltd.	Singapore	April 16, 2019	49%	Technology Development/ Technology Consulting
ZA Care Limited (眾安關懷有限公司)	Hong Kong	May 23, 2019	100%	Corporate social responsibility activities/ Charity platform

Mr. Ou Yaping is a director of ZhongAn Financial Services Limited (眾安金融服務有限公司), ZA Bank Limited (眾安銀行有限公司) and ZA Life Limited (眾安人壽有限公司).

FINANCIAL EFFECTS OF THE SINOLINK SUBSCRIPTION

Following the final Completion, the Company will continue to be interested in 49% of the voting interest in JVCo and interests in JVCo will continue to be accounted for in the financial statements of the Group as interests in an associate using equity method of accounting.

It is the intention of the Group to finance the Sinolink Subscription by internal resources. As a result, it is expected that the “interests in associates” will increase, while the corresponding financial effects will be reflected by way of a decrease in “cash and cash equivalents”. Given these financial effects, the Directors are of the view that the Sinolink Subscription will not have any material financial effects on the net asset value of the Group.

Since the Sinolink Subscription will be funded by internal resources, the Directors expect that the Sinolink Subscription will not have any material financial effects on the earnings of the Group.

The details of the financial effect of the Sinolink Subscription on the financial position of the Group together with the bases and assumptions taken into account in preparing the pro forma financial information are set out, for illustration purpose only, in Appendix IV to this circular.

LISTING RULES IMPLICATIONS

Pursuant to the terms of the Joint Venture Agreement (as amended by the Amendment Agreement), on August 16, 2018 and December 14, 2018, the Company completed the subscription of 482,438,000 and 44,012,500 Redeemable Preference Shares for cash consideration of RMB482,438,000 (equivalent to approximately HK$550 million) and RMB44,012,500 (equivalent to approximately HK$50 million), respectively.

As the 2018 RPS Subscription was completed within a 12-month period from the date of the Share Subscription Agreement, the 2018 RPS Subscription should be aggregated with the Sinolink Subscription as a series of transactions pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Sinolink Subscription, when aggregated with the 2018 RPS Subscription, exceed 25% but are less than 100%, the entering into of the Share Subscription Agreement and the consummation of the Sinolink Subscription would constitute a major transaction of the Company and are subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Subscription Agreement and the Sinolink Subscription. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Share Subscription Agreement and Sinolink Subscription. As such, no Shareholder is required to abstain from voting at the SGM.

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that the Share Subscription Agreement and Sinolink Subscription are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Share Subscription Agreement and Sinolink Subscription.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The English text of this circular, the notice of the SGM and the form of proxy for use at the SGM shall prevail over the Chinese text in case of inconsistency.

By Order of the Board
Sinolink Worldwide Holdings Limited
Xiang Ya Bo
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three financial years ended December 31, 2016, 2017 and 2018 are disclosed in following annual reports of the Company which have been published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.sinolinkhk.com**):

- the audited consolidated financial statements of the Group for the year ended December 31, 2018 is disclosed in the 2018 annual report of the Company published on April 25, 2019, from pages 53 to 172. Please see below the link to the 2018 annual report of the Company:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn20190425529.pdf

- the audited consolidated financial statements of the Group for the year ended December 31, 2017 is disclosed in the 2017 annual report of the Company published on April 26, 2018, from pages 52 to 146. Please see below the link to the 2017 annual report of the Company:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0426/ltn20180426535.pdf

- the audited consolidated financial statements of the Group for the year ended December 31, 2016 is disclosed in the 2016 annual report of the Company published on April 12, 2017, from pages 45 to 118. Please see below the link to the 2016 annual report of the Company:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0412/ltn20170412592.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on June 30, 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK$818.5 million, comprising secured and unguaranteed bank borrowings of approximately HK$786.7 million and secured and unguaranteed factoring loans of approximately HK$31.8 million.

As at the close of business on June 30, 2019, the Group had guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties amounting to approximately HK$11.9 million.

As at the close of business on June 30, 2019, the Group had secured and unguaranteed outstanding lease obligations in respect of office premises with undiscounted principal amount of approximately HK$8.7 million. The lease obligations are secured by rental deposits.

Save as aforementioned or as otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade and other payables in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebetedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, other recognised lease liabilities or lease commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business as of June 30, 2019.

3. WORKING CAPITAL

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

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since December 31, 2018 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group

Looking forward to the rest of 2019, macro-political instability will hamper economic growth, and close attention should be paid to the PRC economy as its economic fundamentals will still face many challenges.

In terms of individual industry, we consider the financial technology industry is at its early stage of development with enormous potential for future development. Benefitting from the highly diversified financial technology centers across the globe and the build-up of the sub-segments including regulatory technology and insurance technology, the overall financial technology industry will continue to witness progressive growth and development.

Financial technology focuses on the application of technology in the financial field. The integration of technology and finance has facilitated innovation in financial products and service modes, improvement of customer experience, enhancement of service efficiency and reduction of transaction cost. In recent years, financial technology has become an investment hot spot for global investors and entrepreneurs.

In terms of business activities, while striving to balance the growth and profitability of the existing business, the Group will continue to pay attention to the opportunities arising from the rapid development of the financial technology industry in the hope that resource allocation for the relevant fields can bring sustainable growth and long-term shareholders' value to the Group.

JVCo

Through further capital injection into JVCo, it will continue to establish and improve its target-oriented team management system and cultivate key talents. In addition, JVCo will continue to leverage on the advantage of Hong Kong as an international city to establish a stronghold in Hong Kong. While making strenuous efforts to exploit markets in Hong Kong, Japan and Southeast Asia, the Company trusts that JVCo will explore business opportunities in other countries and regions across the globe, seek for more ecosystem partners and continue to export insurtech solutions and provide integrated financial services.

The management of JVCo currently intends to use the additional funds to be raised by JVCo (in the aggregate amount of approximately RMB1,960.78 million) through the Sinolink Subscription and ZhongAn Subscription, as follows:

- approximately 29%, or RMB572 million, on the working capital of JVCo and licensing in respect of its life insurance business;
- approximately 28%, or RMB551.68 million, on general operating costs including staff costs, software and IT equipment expenses and rental and building management fees;
- approximately 22%, or RMB440 million, on the working capital of JVCo in respect of its virtual bank business; and
- the remaining amount of approximately 21%, or RMB397.1 million, for the working capital of JVCo in respect of its Fintech and Insuretech businesses and other general corporate purposes.

The management of JVCo reported that JVCo is still in its initial investment stage and its business has not been fully in operation yet. The management of JVCo expects the virtual bank business to be launched at the end of 2019 and will be fully operational in 2020. Using web and mobile applications as channels, the business will provide a whole new financial services experience to the new generation. The management of JVCo expects that the operation and business in the Fintech and Insuretech will grow in client base and system implementation. Other than substantial upfront investment in the first two years, subsequent cost will remain stable and controllable. The management of JVCo estimates that with the growth of business, JVCo is expected to breakeven in 2021.

The Company believes, based on JVCo's experiences gained from the insurtech market in China, it will develop world-leading cloud-based and open-ended insurance industry core platform products, and create hybrid ecosystems integrating traditional insurance industry and internet platforms, with an aim to become the preferred partner for insurance digitalization and financial service provider in the Asia Pacific region.

The following is the text of a report set out on pages II-1 to II-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

羅兵咸永道

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

Introduction

We report on the historical financial information of ZhongAn Technologies International Group Limited (the "**JVCo**") and its subsidiaries (together, the "**JV Group**") set out on pages II-4 to II-57, which comprises the consolidated statements of financial position and statements of financial position of JVCo as at 31 December 2017 and 2018 and 30 June 2019, and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the period from 22 September 2017 to 31 December 2017, the year ended 31 December 2018 and the six months ended 30 June 2019 (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-57 forms an integral part of this report, which has been prepared for inclusion in the circular of Sinolink Worldwide Holdings Limited (the "**Company**") dated 16 August 2019 (the "**Circular**") in connection with the proposed additional capital contribution to the JVCo by the Company.

Directors' responsibility for the Historical Financial Information

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

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

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

Reporting accountant's responsibility

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

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the JVCo as at 31 December 2017 and 2018 and 30 June 2019 and the consolidated financial position of the JV Group as at 31 December 2017 and 2018 and 30 June 2019 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the JV Group which comprises the consolidated income statements, consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2018 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our 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 HKICPA. A review 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules")

Adjustments

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

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
16 August 2019

HISTORICAL FINANCIAL INFORMATION

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

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

The Historical Financial Information is presented in HK$ and all values are rounded to the nearest integer except when otherwise indicated.

CONSOLIDATED INCOME STATEMENTS

	Notes	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
		HK$	*HK$*	*HK$*	*HK$*
				(Unaudited)	
Service fee income	5	—	13,771,186	2,845,000	34,917,766
Interest income	6	17,185	6,704,823	1,207,959	7,475,901
Other income/(expense)	7	1,920,982	(2,117,354)	1,181,336	2,624,929
Total revenue and other income		1,938,167	18,358,655	5,234,295	45,018,596
Expenses					
Operating expenses	8	(1,253,970)	(147,186,186)	(7,625,327)	(167,827,406)
Finance cost	10	—	—	—	(603,344)
Total expenses		(1,253,970)	(147,186,186)	(7,625,327)	(168,430,750)
Share of net losses from associate	13	—	—	—	(682,508)
Profit/(loss) before income tax		684,197	(128,827,531)	(2,391,032)	(124,094,662)
Income tax	11	—	(297,941)	—	(1,287,100)
Net profit/(loss)		684,197	(129,125,472)	(2,391,032)	(125,381,762)
Attributable to:					
Owners of the JVCo		684,197	(131,460,396)	(2,391,032)	(113,495,957)
Non-controlling interests	12.1	—	2,334,924	—	(11,885,805)
		684,197	(129,125,472)	(2,391,032)	(125,381,762)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	2019
	Notes	*HK$*	*HK$*	*HK$* *(Unaudited)*	*HK$*
Net profit/(loss) for the period/year		684,197	(129,125,472)	(2,391,032)	(125,381,762)
Other comprehensive (loss)/income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		—	(29,800)	—	170,094
Total comprehensive income/(loss) for the period/year		684,197	(129,155,272)	(2,391,032)	(125,211,668)
Attributable to:					
Owners of the JVCo		684,197	(131,490,196)	(2,391,032)	(113,411,682)
Non-controlling interests	12.1	—	2,334,924	—	(11,799,986)
		684,197	(129,155,272)	(2,391,032)	(125,211,668)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2017 HK$	As at 31 December 2018 HK$	As at 30 June 2019 HK$
ASSETS				
Non-current assets				
Investment in an associate	13	—	—	18,941,242
Property and equipment	14	—	2,948,377	17,148,494
Right-of-use assets	15	—	—	18,594,516
		—	2,948,377	54,684,252
Current assets				
Trade and other receivables	17	—	8,424,366	1,779,479
Prepayments		—	9,357,920	10,667,731
Short-term bank deposits	16	—	600,000,000	—
Cash and cash equivalents		131,596,790	546,236,664	1,190,255,291
Total current assets		131,596,790	1,164,018,950	1,202,702,501
Total assets		131,596,790	1,166,967,327	1,257,386,753
LIABILITIES				
Non-current liabilities				
Lease liabilities	15	—	—	13,756,221
Current liabilities				
Income tax payable		—	297,941	1,123,579
Amount due to related parties	18(iii)	—	74,213,400	170,716,823
Promissory notes	19	—	30,110,803	50,456,751
Lease liabilities	15	—	—	6,543,348
Other payables		1,253,970	11,157,635	13,133,528
Total liabilities		1,253,970	115,779,779	255,730,250
Net assets		130,342,820	1,051,187,548	1,001,656,503
EQUITY				
Share capital	20	129,658,623	129,658,623	129,658,623
Redeemable preference shares	21	—	700,000,000	1,100,000,000
Translation reserves		—	(29,800)	54,475
Other reserves	12.2	—	—	(9,953,157)
Retained earnings/(accumulated losses)		684,197	(130,776,199)	(245,682,105)
Total equity attributable to equity owners of the JVCo		130,342,820	698,852,624	974,077,836
Non-controlling interests	12.1	—	352,334,924	27,578,667
Total equity		130,342,820	1,051,187,548	1,001,656,503

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2017 HK$	As at 31 December 2018 HK$	As at 30 June 2019 HK$
ASSETS				
Non-current assets				
Property and equipment	14	—	2,948,377	17,148,494
Investment in subsidiaries	12	—	650,010,000	1,051,415,958
Investment in an associate	13	—	—	18,941,242
Right-of-use assets	15	—	—	17,901,304
		—	652,958,377	1,105,406,998
Current assets				
Trade and other receivables	17	—	2,649,327	—
Prepayments		—	9,357,920	10,430,006
Amount due from subsidiaries		—	13,682,478	44,511,842
Cash and cash equivalents		131,596,790	132,250,976	51,101,803
Total current assets		131,596,790	157,940,701	106,043,651
Total assets		131,596,790	810,899,078	1,211,450,649
LIABILITIES				
Non-current liabilities				
Lease liabilities	15	—	—	13,474,778
Current liabilities				
Amount due to subsidiaries		—	10,000	—
Amount due to related parties	18(iii)	—	74,213,400	170,716,823
Promissory notes	19	—	30,110,803	50,456,751
Lease liabilities	15	—	—	6,183,547
Other payables		1,253,970	9,609,084	7,454,358
Total liabilities		1,253,970	113,943,287	248,286,257
Net assets		130,342,820	696,955,791	963,164,392
EQUITY				
Share capital	20	129,658,623	129,658,623	129,658,623
Redeemable preference shares	21	—	700,000,000	1,100,000,000
Retained earnings/(accumulated losses)		684,197	(132,702,832)	(266,494,231)
Total equity		130,342,820	696,955,791	963,164,392

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the JVCo							
	Notes	**Share capital**	**Redeemable preference shares**	**Translation reserves**	**Other reserves**	**Retained earnings/ (accumulated losses)**	**Total**	**Non-controlling interests**	**Total equity**
		HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Balance at 22 September 2017 (Date of incorporation)	—	—	—	—	—	—	—	—	—
Issue of ordinary shares	20	129,658,623	—	—	—	—	129,658,623	—	129,658,623
Profit for the period		—	—	—	—	684,197	684,197	—	684,197
Balance at 31 December 2017		129,658,623	—	—	—	684,197	130,342,820	—	130,342,820
Balance at 1 January 2018		129,658,623	—	—	—	684,197	130,342,820	—	130,342,820
Issue of redeemable preference shares	21	—	700,000,000	—	—	—	700,000,000	—	700,000,000
Capital contribution from a non-controlling interests of a newly incorporated subsidiary		—	—	—	—	—	—	350,000,000	350,000,000
(Loss)/profit for the year		—	—	—	—	(131,460,396)	(131,460,396)	2,334,924	(129,125,472)
Other comprehensive loss									
Currency translation differences		—	—	(29,800)	—	—	(29,800)	—	(29,800)
Balance at 31 December 2018		129,658,623	700,000,000	(29,800)	—	(130,776,199)	698,852,624	352,334,924	1,051,187,548

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)

		Attributable to owners of the JVCo							
	Notes	Share capital	Redeemable preference shares	Translation reserves	Other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
		HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Balance at 31 December 2018		129,658,623	700,000,000	(29,800)	—	(130,776,199)	698,852,624	352,334,924	1,051,187,548
Impact of adopting HKFRS16 on 1 January 2019		—	—	—	—	(1,409,949)	(1,409,949)	—	(1,409,949)
Balance at 1 January 2019, as adjusted		129,658,623	700,000,000	(29,800)	—	(132,186,148)	697,442,675	352,334,924	1,049,777,599
Transactions with non-controlling interests	12.2	—	—	—	(9,953,157)	—	(9,953,157)	(352,990,251)	(362,943,408)
Issue of redeemable preference shares	21	—	400,000,000	—	—	—	400,000,000	—	400,000,000
Capital contribution from non-controlling interests of a subsidiary		—	—	—	—	—	—	40,033,980	40,033,980
Loss for the period		—	—	—	—	(113,495,957)	(113,495,957)	(11,885,805)	(125,381,762)
Other comprehensive income									
Currency translation differences		—	—	84,275	—	—	84,275	85,819	170,094
Balance at 30 June 2019		129,658,623	1,100,000,000	54,475	(9,953,157)	(245,682,105)	974,077,836	27,578,667	1,001,656,503
(Unaudited)									
Balance at 1 January 2018		129,658,623	—	—	—	684,197	130,342,820	—	130,342,820
Loss for the period		—	—	—	—	(2,391,032)	(2,391,032)	—	(2,391,032)
Balance at 30 June 2018		129,658,623	—	—	—	(1,706,835)	127,951,788	—	127,951,788

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Period from 22 September 2017 (Date of incorporation) to 31 December 2017 HK$	Year ended 31 December 2018 HK$	Six months ended 30 June 2018 HK$ (Unaudited)	Six months ended 30 June 2019 HK$
OPERATING ACTIVITIES					
Cash used in operating activities	22(i)	—	(62,010,515)	(6,889,627)	(27,072,572)
Income tax paid		—	—	—	(461,462)
Net cash used in operating activities		—	(62,010,515)	(6,889,627)	(27,534,034)
INVESTING ACTIVITIES					
Placement of term deposit with original maturity over three months	16	—	(600,000,000)	—	—
Withdrawal of term deposit with original maturity over three months	16	—	—	—	600,000,000
Interest received		17,185	1,909,992	1,207,959	10,491,252
Payments for property and equipment	14	—	(3,223,253)	(210,852)	(15,993,410)
Investment in an associate	13	—	—	—	(19,623,750)
Net cash generated from/ (used in) investing activities		17,185	(601,313,261)	997,107	574,874,092
FINANCING ACTIVITIES					
Proceeds from promissory notes	19	—	30,110,803	—	20,345,948
Proceeds from issue of ordinary shares	20	129,658,623	—	—	—
Capital contribution from non-controlling interests of subsidiaries		—	350,000,000	—	40,033,980
Transaction with non-controlling interests	12.2	—	—	—	(362,943,408)
Proceeds from issue of redeemable preference shares	21	—	700,000,000	—	400,000,000
Payment for lease liabilities		—	—	—	(3,532,884)
Net cash generated from financing activities		129,658,623	1,080,110,803	—	93,903,636
Net increase/(decrease) in cash and cash equivalents		129,675,808	416,787,027	(5,892,520)	641,243,694
Cash and cash equivalents at the beginning of the financial period/year		—	131,596,790	131,596,790	546,236,664
Effects of exchange rate changes on cash and cash equivalents		1,920,982	(2,147,153)	1,181,336	2,774,933
Cash and cash equivalents at end of period/year		131,596,790	546,236,664	126,885,606	1,190,255,291

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

ZhongAn Technologies International Group Limited (the "**JVCo**") and its subsidiaries (together the "**JV Group**") provide technology developments and technology consulting services to customers. ZA Bank Limited, a subsidiary of JVCo, was granted the first batch of Hong Kong virtual banking licenses by Hong Kong Monetary Authority to provide online financial services in Hong Kong.

The JVCo is incorporated in Hong Kong on 22 September 2017 as a limited company under the Hong Kong Companies Ordinance (Cap. 622). The address of its registered office is 28/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong Island, Hong Kong.

The JVCo is a subsidiary of ZhongAn Information Technology Service Company Limited 眾安信息技術服務有限公司 ("**ZhongAn Technology**") which holds 51% of the JVCo's ordinary shares. Sinolink Worldwide Holdings Limited (the "**Company**"), which is listed on the Main Board of the Stock Exchange of Hong Kong, holds 49% of the JVCo's ordinary shares. The ultimate parent company of the JVCo is ZhongAn Online P & C Insurance Co., Ltd. ("**ZAOIL**"), incorporated in the People's Republic of China and listed on the Main Board of the Stock Exchange of Hong Kong.

2. Basis of preparation

The significant accounting policies applied in the preparation of these Historical Financial Information are set out below. These policies have been consistently applied to all the periods/year presented, unless otherwise stated.

The Historical Financial Information of the JV Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by HKICPA.

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

New standards and interpretations not yet adopted

The following are standards and amendments to existing standards that have been published and are relevant and mandatory for the JV Group's accounting periods beginning on 1 January 2020, but have not been early adopted by the JV Group. These new accounting standards and interpretations would not be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
HKFRS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associates and Joint Ventures	To be determined
HKFRS 17	Insurance Contracts	1 January 2021

Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Historical Financial Information, JV Group has adopted all applicable new and revised HKFRSs for the Track Record Period except for any new standards or interpretation that are not yet effective for the accounting period beginning 1 January 2020. Details of the changes in accounting policies are discussed below.

(i) HKFRS 9 Financial Instruments

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the Historical Financial Information as described below. In accordance with the transitional provisions in HKFRS 9, HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated consolidated statement of financial position as at 31 December 2017, but are recognised in the opening consolidated statement of financial position as at 1 January 2018.

Classification and measurement of financial instruments

On 1 January 2018 (the date of initial application of HKFRS 9), JV Group's management has assessed which business models apply to the financial assets held by JV Group and has classified cash and cash equivalents into amortised cost measurement category, There is no impact on JV Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss ("**FVPL**") and JV Group does not have any such liabilities.

Impairment of financial assets

Only cash and cash equivalents are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(ii) HKFRS 15 Revenue from Contracts with Customers

The HKICPA has issued HKFRS 15 as the new standard for the recognition of revenue, which has become effective for financial years commencing on or after 1 January 2018. This replaces HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The JV Group has adopted HKFRS 15 with the modified retrospective approach as permitted by the transition provision under the standard. The adoption of HKFRS 15 did not have any material impact on the Historical Financial Information.

(iii) HKFRS 16 Leases

The JV Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2017 and 2018 reporting periods, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

On adoption of HKFRS 16, the JV Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.5%.

	As at 1 January 2019
	HK$
Operating lease commitments disclosed as at 31 December 2018	23,640,034
Discounted using the lessee's incremental borrowing rate at the date of initial application	5.5%
Lease liability recognised as at 1 January 2019	22,494,988
Of which are:	
Current lease liabilities	5,724,506
Non-current lease liabilities	16,770,482
	22,494,988

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

2.1 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the JV Group has control. The JV Group controls an entity when the JV Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the JV Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the JV Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statements of financial position and statements of changes in equity respectively.

(ii) Associates

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

(iii) Equity method

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

Where the JV Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the JV Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the JV Group and its associates are eliminated to the extent of the JV Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the JV Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.4.

(iv) Changes in ownership interest

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

When the JV Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the JV Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

2.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial information of each of the JV Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The Historical Financial Information are presented in Hong Kong dollar (HK$), which is the JVCo's functional currency and the JV Group's presentation currency.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and all other foreign exchange gains and losses are presented in the statements of comprehensive income on a net basis within other income.

(iii) Group companies

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

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

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.3 Property and equipment

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Category	Useful Life
Furniture, fittings and equipment	3 - 5 years
Vehicles	5 years
Leasehold improvement	Remaining lease term

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.4 Impairment of non-financial assets

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

2.5 Leases

Until 31 December 2018, leases of property and equipment in which a significant portion of the risks and rewards of ownership were not transferred to the JV Group as lessee were classified as operating leases (note 15). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

The JV Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 1.8 years to 4 years.

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

From 1 January 2019, leases of property are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the JV Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

— fixed payments (including in-substance fixed payments), less any lease incentives receivable

— variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the JV Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.6 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are amounts generally arise from transactions outside the usual operating activities of the JV Group. They are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.7 Financial assets — HKAS 39

The JV Group has adopted HKAS 39 to classify and measure financial instruments for the period ended 31 December 2017.

(i) Recognition and valuation of financial assets

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, available-for-sale and receivables are recognised on trade-date, the date on which the JV Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Investments classified as receivables and held to maturity investments are carried at amortized cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within the period in which they arise. Gains or losses arising from changes in the fair value of available for sale financial assets are recognised in other comprehensive income, until the financial asset is derecognised or impaired. At this time, the cumulative gains or losses previously recognised in equity is recognised in profit or loss. Interest earned whilst holding monetary financial assets, including available for sale financial assets, is reported as interest income using the effective interest rate method.

(ii) Classification

The JV Group's financial assets are initially measured at fair value and classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and investments classified as receivables. Financial investments comprise held-to-maturity investments, available-for-sale financial assets and debt securities classified as investments classified as receivables. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Investments classified as receivables (include credit related financial assets) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (i) those that the JV Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (ii) those that the JV Group upon initial recognition designates as available-for-sale; or (iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the JV Group's management has the positive intention and ability to hold to maturity. After initial recognition, held-to-maturity is measured at amortized cost using real interest rate method minus any identified impairment loss. The JV Group shall not classify any financial assets as held to maturity if the JV Group has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held to maturity investments before maturity other than sales or reclassifications due to a significant deterioration in the issuer's credit worthiness.

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

(iii) Impairment

The JV Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a '**loss event**') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the JV Group uses to determine that there is objective evidence of an impairment loss include:

— A breach of contract, such as a default or delinquency in interest or principal payments;

— The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

— It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

— The disappearance of an active market for that financial asset because of financial difficulties;

— Any significant change with an adverse effect that has taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of investments in equity instruments may not be recovered;

— A significant or prolonged decline in the fair value of equity instrument investments; and

— Other objective evidence indicating impairment of the financial asset.

The JV Group firstly makes separate assessment of the existence of an impairment of the financial assets with significant amount, and then make separate or portfolio assessment of the existence of impairment of all other financial assets with insignificant amount. If there is no evidence indicating that financial assets assessed separately are devalued, the JV Group will include them in a financial asset group with similar credit risk and make combined impairment assessment no matter how significant the amount is. Assets that are assessed separately and are recognized impairment losses are no longer included in the scope of the combined impairment assessment.

2.8 Financial liabilities — HKAS 39

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

All financial liabilities are recognised in the statement of financial position, when and only when, the JV Group becomes a party to the contractual provisions of the instrument.

(i) Financial liabilities at fair value through profit or loss

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains or losses from changes in fair value are recognised in profit or loss.

(ii) Other financial liabilities

Other financial liabilities are recognised initially at fair value net of transaction costs incurred. Other financial liabilities are subsequently stated at amortized cost, with gain or losses arising from derecognition or amortisation recognized in profit or loss. Financial liabilities are derecognised when they are extinguished — that is, when the obligation is discharged, cancelled or expired.

2.9 Financial assets — HKFRS 9

(i) Recognition and derecognition

Financial assets are recognised when the JV Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the JV Group commits to purchase or sell the asset.

(ii) Classification and subsequent measurement

From 1 January 2018, the JV Group classifies its financial assets in the following measurement categories:

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

— those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the JV Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the JV Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

(iii) Impairment

The JV Group assesses on a forward looking basis the expected credit losses associated with its short-term bank deposits and cash and cash equivalents. The impairment methodology applied depends on whether there has been a significant increase in credit risk. At initial recognition, allowance is required for expected credit loss resulting from default events that are possible within the next 12 months. In the event of a significant increase in credit risk, allowance is required for expected credit loss resulting from all possible default events over the expected life of the financial instrument. For financial assets that is credit-impaired at the reporting date, the JV Group measure the expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For trade receivables, the JV Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 Financial liabilities — HKFRS 9

(i) Recognition and derecognition

Financial liabilities are recognised when the JV Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the JV Group commits to purchase or sell the asset.

(ii) Classification and subsequent measurement

At initial recognition, the JV Group measures a financial liability at its fair value, net of transaction costs incurred (if any) and subsequently at amortised cost using the effective interest method, except for:

— Financial liabilities at fair value through profit or loss: This classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; and

— Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies. When the transfer of financial asset did not qualify for derecognition, a financial liability is recognised for the consideration received for the transfer.

2.11 Cash and cash equivalents

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

2.12 Share capital and redeemable preference shares

Ordinary shares are classified in equity when there is not any obligation to transfer cash or other assets to the holders. Redeemable preference shares are classified as equity if it is non-redeemable at the option of the holders, or redeemable only at the JVCo's discretion.

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

2.13 Other payables

These amounts represent other accruals for expenses incurred prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Revenue recognition

The JV Group provides IT consulting, systems design and implementation services. Revenue is recognised when control over the result of services has been transferred to the customer. An enforceable right to payment does not arise until the customer has accepted the result of services. Therefore, revenue is recognised at a point in time when the customer has accepted the result of services.

The JV Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the JV Group does not adjust any of the transaction prices for the time value of money.

2.15 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statements as interest income.

2.16 Current and deferred income tax

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

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the JVCo and its subsidiaries operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

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

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

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

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

2.17 Employee benefit expense

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of consolidated statements of financial position. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus Plan

Provisions for bonus plans are recognised when the JV Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Defined contribution schemes

The employees of the JV Group participate in various defined contribution pension plans principally organised by municipal and provincial governments. Contributions to defined contribution schemes, such as the Mandatory Provident Fund ("**MPF**") Scheme, are expensed as incurred. The JV Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred.

The JV Group pays early retirement benefits to those employees who accept early retirement arrangements approved by management. Early retirement benefits are paid to those employees who voluntarily retire before the normal retirement date. The related benefit payments are made from the date of early retirement through the normal retirement date. The JV Group records a liability for the present value of its early retirement obligation when employees retire early.

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. Financial risk management

This note explains the JV Group's exposure to financial risks and how these risks could affect the JV Group's future financial performance.

3.1 Financial risk factors

The JV Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The directors monitor the financial risk factors of the JV Group and take measures as considered necessary from time to time to minimise such financial risks. Generally, the JV Group employs a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

(i) Market risk

(a) Foreign exchange risk

The JV Group operates internationally and is exposed to foreign exchange risk, primarily Renminbi ("**RMB**"), United States dollar ("**USD**"), Japanese Yen ("**JPY**"), and Singaporean Dollar ("**SGD**"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable JPY revenue and expenditures. The risk is hedged by matching the costs and revenues in foreign currencies with the objective of minimising the volatility of the Hong Kong dollar against foreign currencies.

Exposure

The JV Group's exposure to foreign currency risk at the end of the reporting period that were significant to the JV Group, expressed in Hong Kong dollar, was as follows:

	31 December 2017				31 December 2018			
	RMB	**USD**	**JPY**	**SGD**	**RMB**	**USD**	**JPY**	**SGD**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Financial assets								
Cash and cash equivalents	131,596,790	—	—	—	13,678,289	60,939,256	12,090,375	—
Financial liabilities								
Other payables	—	—	—	—	—	—	(756,000)	—
Income tax payable	—	—	—	—	—	—	(297,941)	—
Amount due to related parties	—	—	—	—	(74,213,400)	—	—	—
Promissory notes	—	—	—	—	(30,110,803)	—	—	—
Lease liabilities	—	—	—	—	—	—	—	—

	30 June 2019			
	RMB	**USD**	**JPY**	**SGD**
	HK$	*HK$*	*HK$*	*HK$*
Financial assets				
Cash and cash equivalents	9,519,277	106,149,857	45,055,747	8,618
Financial liabilities				
Other payables	(159,180)	—	(6,707,295)	(159,401)
Income tax payable	—	—	(1,123,579)	—
Amount due to related parties	(170,716,823)	—	—	—
Promissory notes	(50,456,751)	—	—	—
Lease liabilities	—	—	—	(693,212)

Sensitivity

As shown in the table above, the JV Group is primarily exposed to changes in RMB/HK$, USD/HK$, JPY/HK$ and SGD/HK$ exchange rates. The analysis below is performed to show the sensitivity of profit or loss to reasonable possible change in the exchange rates arises mainly from foreign currencies denominated assets and liabilities and the impact on equity after tax.

	Impact on post tax profit			**Impact on equity after tax**		
	31 December 2017	**31 December 2018**	**30 June 2019**	**31 December 2017**	**31 December 2018**	**30 June 2019**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
RMB/HK$ exchange rate — increase 5% (2017 and 2018: 5%) *	6,579,839	(4,532,296)	(10,590,674)	6,579,839	(4,532,296)	(10,590,674)
RMB/HK$ exchange rate — decrease 5% (2017 and 2018: 5%)*	(6,579,839)	4,532,296	10,590,674	(6,579,839)	4,532,296	10,590,674
USD/HK$ exchange rate — increase 5% (2017 and 2018: 5%) *	—	3,046,963	5,307,493	—	3,046,963	5,307,493
USD/HK$ exchange rate — decrease 5% (2017 and 2018: 5%) *	—	(3,046,963)	(5,307,493)	—	(3,046,963)	(5,307,493)
JPY/HK$ exchange rate — increase 5% (2017 and 2018: 5%) *	—	551,822	1,493,436	—	551,822	1,870,471
JPY/HK$ exchange rate — decrease 5% (2017 and 0218: 5%) *	—	(551,822)	(1,493,436)	—	(551,822)	(1,870,471)
SGD/HK$ exchange rate — increase 5% (2017 and 2018: 5%) *	—	—	939,092	—	—	907,521
SGD/HK$ exchange rate — decrease 5% (2017 and 2018: 5%) *	—	—	(939,092)	—	—	(907,521)

* *Holding all other variables constant*

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The JV Group held interest-bearing assets which are short-term deposits placed in banks. As at 31 December 2017 and 2018 and 30 June 2019, the deposits bear interests at fixed interest rate of nil, 1.9% to 2.25% and 1.25%.

Sensitivity

At 31 December 2017 and 2018 and 30 June 2019, if the interest rates had been increased/decreased by 100 basis points at the end of the periods/year and all other variables were held constant, the JV Group's profit after income tax and equity would decrease/increase by approximately HK$1,315,968, HK$11,462,367 and HK$11,902,553 respectively.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represent management's assessment of a reasonably possible change in interest rate over the next twelve-month period.

(ii) Credit risk

(a) Risk management

Credit risk arises mainly from short-term bank deposits and cash and cash equivalents and trade and other receivables. As at 31 December 2017 and 2018 and 30 June 2019, the JV Group's bank deposits are placed with the following bank with credit rating from Standard & Poor's as follows:

	31 December 2017	**31 December 2018**	**30 June 2019**
Bank of China (Hong Kong) Limited	A+	A+	A+
China CITIC Bank International Limited	BBB+	BBB+	BBB+
Mizuho Bank Limited	A	A	A
United Overseas Bank Limited	—	—	AA-

(b) Trade and other receivables

The JV Group applies an expected loss rate to measure the expected credit losses based on management judgement which reflects past events, current conditions and forward-looking information on macroeconomic factors affecting the ability of the counterparties to fulfil its obligations. Management considers the expected loss rate to be close to zero as the counterparties are high credit quality institutions and it is determined that economic factors do not have a direct correlation to these counterparties' ability to fulfil its obligations.

On that basis, the loss allowance as at and 31 December 2018 and 30 June 2019 was determined as follows for trade and other receivables:

	31 December 2018 Current	30 June 2019 Current
Expected loss rate	0%	0%
Gross carrying amount — Trade and other receivables	8,424,366	1,779,479
Loss allowance	—	—

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and/or the availability of funding through an adequate amount of funding from its holding company to meet obligations when due. At 31 December 2017 and 2018 and 30 June 2019, the JV Group held deposits at call of HK$131,596,790, HK$1,146,263,424, and HK$1,190,222,418 respectively that are expected to readily generate cash inflows for managing liquidity risk.

Maturities of financial liabilities

The tables below analyse the JV Group's financial liabilities and lease liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Except lease liabilities, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	On demand or less than 6 months	6 months or above	Total contractual cash flows	Carrying amount liabilities
	HK$	*HK$*	*HK$*	*HK$*
At 31 December 2017				
Other payables	1,253,970	—	1,253,970	1,253,970
Total	1,253,970	—	1,253,970	1,253,970

Contractual maturities of financial liabilities	On demand or less than 6 months	6 months or above	Total contractual cash flows	Carrying amount liabilities
	HK$	*HK$*	*HK$*	*HK$*
At 31 December 2018				
Other payables	11,157,635	—	11,157,635	11,157,635
Amount due to related parties	74,213,400	—	74,213,400	74,213,400
Promissory notes	30,110,803	—	30,110,803	30,110,803
Total	115,481,838	—	115,481,838	115,481,838

Contractual maturities of financial liabilities and lease liabilities	On demand or less than 6 months	6 months or above	Total contractual cash flows	Carrying amount liabilities
	HK$	*HK$*	*HK$*	*HK$*
At 30 June 2019				
Other payables	13,133,528	—	13,133,528	13,133,528
Amount due to related parties	170,716,823	—	170,716,823	170,716,823
Promissory notes	50,456,751	—	50,456,751	50,456,751
Lease liabilities	2,874,420	18,812,256	21,686,676	20,299,569
Total	237,181,522	18,812,256	255,993,778	254,606,671

(iv) Fair value of financial assets and financial liabilities not carried at fair value

For financial assets and financial liabilities not carried at fair value on the financial statements, the JV Group has ascertained that their fair values were the reasonable approximation of the carrying amounts at period/year end due to short-term nature.

3.2 Capital management

The JV Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the JV Group consists share capital and redeemable preference shares. In order to maintain or adjust the capital structure, the JV Group will consider the macro economic conditions and adequacy of cash flows generating from operations and may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

4. Critical estimates and judgements

The preparation of financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the JV Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Income taxes and deferred taxations

The JV Group is subject to income taxes in Japan and other jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management consider it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

Impairment of non-financial assets

The JV Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

5. Service fee income

The JV Group derives revenue mainly from providing technology consulting services to customers which are recognised at a point in time in the following sole product line and geographical regions.

	Technology Consulting Service			
	Period from 22 September 2017 (Date of incorporation) to 31 December	**Year ended 31 December**	**Six months ended 30 June**	
	2017	**2018**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Japan	—	9,906,895	—	28,522,738
Hong Kong	—	2,957,760	2,845,000	—
Singapore	—	906,531	—	6,395,028
	—	13,771,186	2,845,000	34,917,766

6. Interest income

	Period from 22 September 2017 (Date of incorporation) to 31 December	**Year ended 31 December**	**Six months ended 30 June**	
	2017	**2018**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Interest income on financial assets measured at amortised cost	17,185	6,704,823	1,207,959	7,475,901

7. Other income/(expense)

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Foreign exchange gains/(losses)	1,920,982	(2,117,354)	1,181,336	2,624,929

8. Operating expenses

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Legal and professional fees	1,250,000	43,202,967	4,160,951	14,739,717
Employee benefit expense	—	82,586,580	3,026,473	107,812,293
Auditors' remuneration	—	515,000	—	100,000
Depreciation and amortisation	—	274,876	5,066	5,038,027
Rental fee	—	8,902,220	259,586	6,383,059
Information technology expenses	—	1,888,458	—	21,481,139
Others	3,970	9,816,085	173,251	12,273,171
	1,253,970	147,186,186	7,625,327	167,827,406

9. Employee benefit expense (including director's emolument)

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Salaries, staff welfare and insurance cost	—	78,567,181	2,445,676	103,118,007
Pension costs — defined contribution plans	—	4,019,399	580,797	4,694,286
	—	82,586,580	3,026,473	107,812,293

10. Finance cost

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Interest on lease liabilities	—	—	—	603,344

11. Income tax

This note provides an analysis of the JV Group's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the JV Group's tax position.

(i) Income tax expense

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Total current tax expense	—	297,941	—	1,287,100

(ii) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June	
	2017	**2018**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Profit/(loss) before income tax	684,197	(128,827,531)	(2,391,032)	(124,094,662)
Weighted average nominal tax rate	16.50%	16.39%	16.50%	16.02%
Tax at domestic tax rates applicable to profits in the respective countries	112,893	(21,109,733)	(394,520)	(19,881,355)
Income not subject to tax	(319,798)	(1,384,225)	(417,891)	(2,024,222)
Expense not deductible for tax purpose	—	3,456,665	666,107	1,179,760
Tax effect of tax losses not recognised	206,905	19,335,234	146,304	22,195,232
Adjustments for current tax of prior period	—	—	—	(182,315)
Income tax expense	—	297,941	—	1,287,100

As at 31 December 2017, 30 June 2018, 31 December 2018 and 30 June 2019, the JV Group had estimated unused tax losses of approximately HK$1,253,970, HK$886,691, HK$117,183,237 and HK$134,516,552 respectively available for offset against future profits. The unused tax losses can be carried forward and all tax losses do not expire under current tax legislation. No deferred tax assets have been recognised in respect of such losses due to unpredictability of future profit streams.

12. Subsidiaries

The JV Group's principal subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the JV Group, and the proportion of ownership interests held equals the voting rights held by the JV Group.

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operation	Ownership interest held by the JV Group			Ownership interest held by non-controlling interests		
			As at 31 December		As at 30 June	As at 31 December		As at 30 June
			2017	2018	2019	2017	2018	2019
			%	%	%	%	%	%
ZhongAn Financial Services Limited ("ZAFS")	Hong Kong, limited liability company	Investment holding, Hong Kong	—	65	100	—	35	—
ZA Bank Limited (formerly known as ZhongAn Virtual Finance Limited) (note a)	Hong Kong, limited liability company	Virtual banking, Hong Kong	—	65	100	—	35	—
ZA Tech Global Limited (note b)	Hong Kong, limited liability company	Technology Development/ Technology Consulting, Hong Kong	—	100	49	—	—	51
ZA Tech Japan Inc. (formerly known as ZA Tech Japan GK) (note c)	Japan, limited liability company	Technology Development/ Technology Consulting, Japan	—	100	49	—	—	51
ZA Tech Global (Cayman) Limited (note c)	Cayman Islands, limited liability company	Dormant, Cayman	—	100	49	—	—	51
ZA Tech Global (Singapore) Pte. Ltd. (note c)	Singapore, limited liability company	Dormant, Singapore	—	—	49	—	—	51
ZA Life Limited	Hong Kong, limited liability company	Dormant, Hong Kong	—	—	65	—	—	35
ZA Care Limited	Hong Kong, limited guarantee company	Dormant, Hong Kong	—	—	100	—	—	—

Notes

a) ZA Bank Limited is indirectly held by the JVCo and wholly-owned by ZAFS.

b) On 29 March 2019, a third party subscribed into shares of ZA Tech Global Limited and becomes a non-controlling interest.

c) ZA Tech Japan Inc., ZA Tech Global (Cayman) Limited and ZA Tech Global (Singapore) Pte. Ltd. are indirectly held by the JVCo and wholly-owned by ZA Tech Global Limited.

Consolidation of entity with less than 50% ownership

The directors have concluded that the JVCo controls ZA Tech Global Limited, even though it holds less than half of the equity interests of this subsidiary. The subscription agreement signed between the shareholders grants the JVCo the right to appoint a majority of the board of directors and management responsible for directing the relevant activities.

12.1 Non-controlling interests (NCI)

Set out below is summarised financial information for subsidiary that has non-controlling interests that are material to the JV Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

ZhongAn Financial Services Limited

Summarised statements of financial position

	As at 31 December		**As at 4 February 2019 (Date of transaction)**
	2017	**2018**	
	HK$	*HK$*	*HK$*
Current assets	—	1,006,671,211	1,008,543,575
Current liabilities	—	—	—
Current net assets	—	1,006,671,211	1,008,543,575
Net assets	—	1,006,671,211	1,008,543,575
Accumulated NCI	—	352,334,924	352,990,251

Summarised statements of comprehensive income

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Period from 1 January 2019 to 4 February 2019 (Date of transaction)
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Revenue	—	6,671,211	—	1,872,364
Expense	—	—	—	—
Profit for the year/period and total comprehensive income	—	6,671,211	—	1,872,364
Profit allocated to NCI	—	2,334,924	—	655,327

Summarised cash flows

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Period from 1 January 2019 to 4 February 2019 (Date of transaction)
	HK$	*HK$*	*HK$*	*HK$*
Cash used in investing activities	—	(598,102,798)	—	—
Cash generated from financing activities	—	1,000,000,000	—	—
Net increase in cash and cash equivalents	—	401,897,202	—	—

ZA Tech Global Limited

Summarised statements of financial position

	As at 30 June 2019
	HK$
Current assets	55,034,604
Current liabilities	—
Current net assets	55,034,604
Net assets	55,034,604
Accumulated NCI	28,067,648

Summarised statements of comprehensive income

	Period from 29 March 2019 (Date of subscription) to 30 June 2019
	HK$
Revenue	9,302,354
Expense	(32,934,022)
Loss for the period	(23,631,668)
Other comprehensive income	168,272
Total comprehensive loss for the period	(23,463,396)
Total comprehensive loss allocated to NCI	(11,966,332)

Summarised cash flows

	Period from 29 March 2019 (Date of subscription) to 30 June 2019
	HK$
Cash used in operating activities	(1,002,169)
Cash generated from financing activities	78,498,000
Net increase in cash and cash equivalents	77,495,831

ZA Life Limited

Summarised statements of financial position

	As at 30 June 2019
	HK$
Current assets	3,602,910
Current liabilities	(5,000,000)
Current net liabilities	(1,397,090)
Net liabilities	(1,397,090)
Accumulated NCI	(488,981)

Summarised statements of comprehensive income

	Period from 27 February 2019 (Date of incorporation) to 30 June 2019
	HK$
Operating expense	(1,397,090)
Loss and total comprehensive loss for the period	(1,397,090)
Loss allocated to NCI	(488,981)

Summarised cash flows

	Period from 27 February 2019 (Date of incorporation) to 30 June 2019
	HK$
Cash generated from operating activities	3,602,910
Net increase in cash and cash equivalents	3,602,910

12.2 Transactions with non-controlling interests (NCI)

On 4 February 2019, the JVCo acquired an additional 35% of the issued shares of ZhongAn Financial Services Limited for HK$362,580,827 from an existing non-controlling shareholder. Immediately prior to the purchase, the carrying amount of the existing 35% non-controlling interests in ZhongAn Financial Services Limited was HK$352,990,251. The JV Group recognised a decrease in non-controlling interests of HK$352,990,251 and a decrease in equity attributable to owners of the parent of HK$9,953,157. The effect on the equity attributable to the owners of JVCo during the period is summarised as follows:

	As at 30 June 2019
	HK$
Carrying amount of NCI acquired	352,990,251
Consideration paid to NCI	(362,580,827)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	(9,590,576)
Transaction cost	(362,581)
	(9,953,157)

There were no transactions with non-controlling interests in 2017 and 2018.

13. Investment in an associate

JV Group and JVCo

On 15 March 2019, the JVCo has entered into an agreement to invest in an associate at HK$19,623,750. Set out below is the associate of the JV Group as at 30 June 2019 which, in the opinion of the directors, is material to the JV Group.

Name of company	Place of operation	Class of share held	Ownership interest	Nature of Business	Carry amount
					HK$
A3 Holdings Inc.	Singapore	Ordinary Share	40%	InsureTech	18,941,242

There were no investment in other associate in 2017 and 2018.

Existence of significant influence

Through the agreement, JVCo is guaranteed two out of five seats on the board of A3 Holdings Inc. and participates in all significant financial and operating decisions. The JV Group has therefore determined that it has significant influence over this entity, given it holds 40% of the voting rights.

Summarised financial information for associate

The tables below provide summarised financial information for associate that is material to the JV Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not JV Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statements of financial position	**A3 Holdings Inc.** **As at 30 June 2019** *HK$*
Current assets	19,607,449
Current liabilities	(1,740,256)
Net assets	17,867,193
Reconciliation to carrying amounts:	
Opening net assets as at 15 March	19,573,462
Loss for the period	(1,706,269)
Closing net assets	17,867,193
JV Group's share in %	40%
JV Group's share in HK$	(682,508)
Goodwill	19,623,750
Carrying amount	18,941,242

Summarised statements of comprehensive income	**A3 Holdings Inc.** **Six months ended** **30 June 2019** *HK$*
Revenue	691,773
Loss and total comprehensive loss for the period	(1,706,269)

14. Property and equipment

JV Group and JVCo

	Leasehold improvement	Furniture, fittings and equipment	Vehicles	Total
	HK$	*HK$*	*HK$*	*HK$*
At 22 September 2017 (Date of incorporation) and 31 December 2017				
Cost and net book amount	—	—	—	—
Year ended 31 December 2018				
Opening net book amount	—	—	—	—
Additions	1,340,927	1,125,462	756,864	3,223,253
Depreciation charges	(137,804)	(74,000)	(63,072)	(274,876)
Closing net book amount	1,203,123	1,051,462	693,792	2,948,377
At 31 December 2018				
Cost	1,340,927	1,125,462	756,864	3,223,253
Accumulated depreciation	(137,804)	(74,000)	(63,072)	(274,876)
Net book amount	1,203,123	1,051,462	693,792	2,948,377
Six months ended 30 June 2019				
Opening net book amount	1,203,123	1,051,462	693,792	2,948,377
Additions	13,807,383	2,186,027	—	15,993,410
Depreciation charges	(1,478,701)	(238,906)	(75,686)	(1,793,293)
Closing net book amount	13,531,805	2,998,583	618,106	17,148,494
At 30 June 2019				
Cost	15,148,310	3,311,489	756,864	19,216,663
Accumulated depreciation	(1,616,505)	(312,906)	(138,758)	(2,068,169)
Net book amount	13,531,805	2,998,583	618,106	17,148,494

15. Leases

JV Group

This note provides information for leases where the JV Group is a lessee.

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

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

	As at 1 January 2019	**As at 30 June 2019**
	HK$	*HK$*
Right-of-use assets		
Buildings	21,085,039	18,594,516
Lease liabilities		
Current	5,724,506	6,543,348
Non-current	16,770,482	13,756,221

(ii) Amounts recognised in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

	Year ended 31 December 2018	**Six months ended 30 June 2019**
	HK$	*HK$*
Depreciation charge of right-of-use assets		
Buildings	—	3,244,734
Interest expense (included in finance cost)	—	603,344
Expense relating to leases of low-value assets (included in operating expenses)	—	17,010

Additions to the right-of-use assets during the six months ended 30 June 2019 was HK$754,211.

The total cash outflow for leases during the six months ended 30 June 2019 was HK$3,475,856.

JVCo

This note provides information for leases where the JVCo is a lessee.

(iii) Amounts recognised in the statements of financial position

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

	As at 1 January 2019	**As at 30 June 2019**
	HK$	*HK$*
Right-of-use assets		
Buildings	21,085,039	17,901,304
Lease liabilities		
Current	5,724,506	6,183,547
Non-current	16,770,482	13,474,778

16. Short-term bank deposits

These amount refers to the short-term deposits with original maturities longer than 3 months.

17. Trade and other receivables

JV Group

	As at 31 December		**As at 30 June**
	2017	**2018**	**2019**
	HK$	*HK$*	*HK$*
Trade receivables	—	1,019,290	—
Interest receivables	—	4,794,830	1,779,479
Other receivables	—	2,610,246	—
	—	8,424,366	1,779,479

JV Group's credit terms to trade debtors normally range from 0 to 30 days. An aging analysis of the trade receivables based on the invoice date is as follows:

	As at 31 December		As at 30 June
	2017	2018	2019
	HK$	*HK$*	*HK$*
Current to 30 days	—	1,019,290	—

JVCo

	As at 31 December		As at 30 June
	2017	2018	2019
	HK$	*HK$*	*HK$*
Trade receivables	—	112,760	—
Interest receivables	—	20,822	—
Other receivables	—	2,515,745	—
	—	2,649,327	—

JVCo's credit terms to trade debtors normally range from 0 to 30 days An aging analysis of the trade receivables based on the invoice date is as follows :

	As at 31 December		As at 30 June
	2017	2018	2019
	HK$	*HK$*	*HK$*
Current to 30 days	—	112,760	—

18. Related party transactions

Save as disclosed elsewhere in the Historical Financial Information, the JV Group had the following transactions with its related parties during the periods/year.

(i) Key management personnel compensation

Transactions with key management personnel and the entity controlled or jointly controlled by a person identified as key management personnel ("**key management personnel**") have been disclosed below.

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Salaries	—	2,560,590	576,924	1,487,924
Bonus and pension	—	784,435	9,000	18,000
Other benefit	—	200,000	—	240,000
	—	3,545,025	585,924	1,745,924

(ii) Transactions with related parties

The JV Group has recharge arrangement with ZA Technology and ZAOIL which allows the JV Group used and occupied certain resources of ZA Technology and ZAOIL, such as designated employees and office premises, to support its business and operation. In connection with this recharge arrangement, ZA Technology and ZAOIL shared certain operating expenses with the JV Group and recharged the JV Group the operating expenses attributable to the JV Group monthly on a cost basis.

During the year ended 31 December 2018 and the six months ended 30 June 2019, ZhongAn Technology and ZAOIL have allocated and recharged operating expenses of HK$71,251,511 and HK$95,133,296 respectively to the JVCo.

(a) Legal and professional fees

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
ZhongAn Technology	—	14,053,076	—	2,767,671
ZAOIL	—	537,025	—	593,532
	—	14,590,101	—	3,361,203

(b) Employee benefit expense

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
ZhongAn Technology	—	33,694,508	—	70,471,804
ZAOIL	—	8,459,597	—	499,499
	—	42,154,105	—	70,971,303

(c) Rental fee

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June	
	2017	**2018**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
ZhongAn Technology	—	4,521,719	—	4,604,375
ZAOIL	—	1,908,681	—	1,246,374
	—	6,430,400	—	5,850,749

(d) Other operating expenses

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June	
	2017	**2018**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
ZhongAn Technology	—	5,719,621	—	12,687,120
ZAOIL	—	2,357,284	—	2,262,921
	—	8,076,905	—	14,950,041

(iii) Period/year end balance of payables with related parties

JV Group and JVCo

	As at 31 December		As at 30 June
	2017	**2018**	**2019**
	HK$	*HK$*	*HK$*
ZhongAn Technology	—	60,399,494	152,959,888
ZAOIL	—	13,813,906	17,756,935
	—	74,213,400	170,716,823

The balances are repayable on demand, unsecured and non-interest bearing.

19. Promissory notes

On 20 December 2018, the JVCo issued promissory notes with a principal amount of HK$30,110,803. The notes have a term of 6 months from the drawdown date and does not bear interest, and are guaranteed by an associate of ZhongAn Technology.

On 25 March 2019, the JVCo issued promissory notes with a principal amount of HK$20,345,948. The loan notes have a term of 6 months from the drawdown date and does not bear interest, and are guaranteed by an associate of ZhongAn Technology.

20. Share capital

	As at 31 December		As at 30 June
	2017	**2018**	**2019**
Ordinary shares			
Fully paid			
-Shares	100,000,000	100,000,000	100,000,000
-HK$	129,658,623	129,658,623	129,658,623

On 22 September 2017 (date of incorporation), the JVCo issued 50,000,000 ordinary shares (RMB1 each) to ZhongAn Technology at RMB50,000,000 for cash. All the cash was paid up on 8 December 2017.

On 14 December 2017, 1,000,000 ordinary shares were further issued by the JVCo to ZhongAn Technology at RMB1 for cash; and 49,000,000 ordinary shares were issued by the JVCo to the Company at RMB60,000,000 for cash. All the cash was paid up on the date of issuance.

21. Redeemable preference shares

The JVCo issued the following redeemable preference shares:

— 87,716,000 redeemable preference shares of RMB1 each to a third party for a consideration of RMB87,716,000 (HK$100,000,000 equivalent) on 16 August 2018; and

— 482,438,000 redeemable preference shares of RMB1 each to the Company for a consideration of RMB482,438,000 (HK$550,000,000 equivalent) on 16 August 2018; and

— 44,012,500 redeemable preference shares of RMB1 each to the Company for a consideration of RMB44,012,500 (HK$50,000,000 equivalent) on 14 December 2018; and

— 342,048,000 redeemable preference shares of RMB1 each to a third party for a consideration of RMB342,048,000 (HK$400,000,000 equivalent) on 4 February 2019.

The redeemable preference shares have no fixed maturity and redeemable at the JVCo's discretion. In the event an return of capital, liquidation, dissolution or winding-up of the JVCo, the holders of redeemable preference shares shall be entitled to receive in cash, the amount of contribution attributable to the then issued and outstanding redeemable preference shares together with the yield amount as at the date of abovementioned events.

22. Note to consolidated statements of cash flows

(i) Reconciliation from profit/(loss) before income tax to cash used in operating activities

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$* (Unaudited)	*HK$*
Profit/(loss) before income tax	684,197	(128,827,531)	(2,391,032)	(124,094,662)
Depreciation and amortisation	—	274,876	5,066	5,038,027
Interest expense	—	—	—	603,344
Foreign exchange (gains)/losses	(1,920,982)	2,117,354	(1,181,336)	(2,624,929)
Share of net loss from an associate	—	—	—	682,508
Interest income	(17,185)	(6,704,823)	(1,207,959)	(7,475,901)
(Increase)/decrease in trade and other receivables	—	(3,629,536)	—	3,629,536
Increase in prepayments	—	(9,357,920)	(949,966)	(1,309,811)
Increase/(decrease) in trade and other payables	1,253,970	9,903,665	(1,164,400)	1,975,893
Increase in amount due to related parties	—	74,213,400	—	96,503,423
Cash used in operating activities	—	(62,010,515)	(6,889,627)	(27,072,572)

(ii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods/year presented.

	As at 31 December 2017	As at 31 December 2018	As at 30 June 2019
	HK$	*HK$*	*HK$*
Cash and cash equivalents	131,596,790	546,236,664	1,190,255,291
Promissory notes	—	(30,110,803)	(50,456,751)
Lease liabilities	—	—	(20,299,569)
Net debt	131,596,790	516,125,861	1,119,498,971
Cash and cash equivalents	131,596,790	546,236,664	1,190,255,291
Gross debt - free interest rate	—	(30,110,803)	(50,456,751)
Gross debt - fixed interest rate	—	—	(20,299,569)
Net debt	131,596,790	516,125,861	1,119,498,971

	Promissory notes	Leases	Sub-total	Cash and cash equivalents	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Net debt as at 22 September 2017 (date of incorporation)	—	—	—	—	—
Cash flows	—	—	—	129,675,808	129,675,808
Foreign exchange adjustments	—	—	—	1,920,982	1,920,982
Net debt as at 31 December 2017 and 1 January 2018	—	—	—	131,596,790	131,596,790
Cash flows	—	—	—	(5,892,520)	(5,892,520)
Foreign exchange adjustments	—	—	—	1,181,336	1,181,336
Net debt as at 30 June 2018 and 1 July 2018	—	—	—	126,885,606	126,885,606
Cash flows	(30,110,803)	—	(30,110,803)	422,679,548	392,568,745
Foreign exchange adjustments	—	—	—	(3,328,490)	(3,328,490)
Net debt as at 31 December 2018	(30,110,803)	—	(30,110,803)	546,236,664	516,125,861
Recognised on adoption of HKFRS 16	—	(22,494,988)	(22,494,988)	—	(22,494,988)
Net debt as at 1 January 2019	(30,110,803)	(22,494,988)	(52,605,791)	546,236,664	493,630,873
Cash flows	(20,345,948)	2,929,540	(17,416,408)	641,243,694	623,827,286
Addition of new lease liabilities	—	(693,212)	(693,212)	—	(693,212)
Foreign exchange adjustments	—	(40,909)	(40,909)	2,774,933	2,734,024
Net debt as at 30 June 2019	(50,456,751)	(20,299,569)	(70,756,320)	1,190,255,291	1,119,498,971

23. Commitments

The JV Group leases various properties under non-cancellable operating leases expiring within two to four years. The leases have varying terms and escalation clauses.

From 1 January 2019, the JV Group has recognised right-of-use assets for these leases, except for low-value leases, see note 2.5 and note 15 for further information.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	As at 31 December	
	2017	**2018**
	HK$	*HK$*
Within one year	—	7,085,869
Later than one year but not later than five years	—	16,554,165
	—	23,640,034
Rental expense relating to operating leases:		
Minimum lease payments	—	2,216,671
Total rental expense relating to operating leases	—	2,216,671

24. Benefit and interest of the Directors of JV Group

During the periods/year, except as disclosed below, no other emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors of the JVCo. No consideration was provided to or receivable by third parties for making available directors' services during the periods/year. There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities during the periods/year.

No director of the JVCo had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the JVCo's business to which the JVCo was or is a party that subsisted at the end of the periods/year or at any time during the periods/year.

Directors' emoluments

The aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the JVCo or its subsidiary undertaking, pursuant to section 383 of the Hong Kong Companies Ordinance (Cap.622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) were set out below:

	Period from 22 September 2017 (Date of incorporation) to 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
	HK$	*HK$*	*HK$*	*HK$*
			(Unaudited)	
Salaries	—	2,560,590	576,924	1,487,924
Bonus and pension	—	784,435	9,000	18,000
Other benefit	—	200,000	—	240,000
Total	—	3,545,025	585,924	1,745,924

25. Dividends

No dividend was paid or proposed for the period from 22 September 2017 (Date of incorporation) to 31 December 2017 and the year ended 31 December 2018 and the six months ended 30 June 2018 and 2019.

26. Events occurring after the reporting period

On July 18, 2019 , the JVCo has entered into the Share Subscription Agreement with ZhongAn Technology and the Company, pursuant to which the Company will subscribe for an aggregate of 980,000,000 new JVCo ordinary shares for a total subscription price of RMB960,784,313.73 payable in cash, and ZhongAn Technology will subscribe for an aggregate of 1,020,000,000 new JVCo ordinary shares for a total subscription price of RMB1,000,000,000 payable in cash.

On 26 July 2019, the Company and a third party paid to the JVCo HK$106,276,058 and HK$430,000,000 in cash to subscribe additional 93,549,500 and 378,507,500 redeemable preference shares of RMB1 each respectively.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the JVCo or any of its subsidiaries in respect of any period subsequent to 30 June 2019 and up to the date of this report. No dividend or distribution has been declared or made by the JVCo or any of its subsidiaries in respect of any period subsequent to 30 June 2019.

Set out below is the management discussion and analysis of JVCo for the period commencing from September 22, 2017 (date of incorporation of JVCo) to December 31, 2018 and the period from January 1, 2019 to June 30, 2019, which is based on financial information of JVCo as set out in the accountant's report in Appendix II to this circular.

MANAGEMENT DISCUSSION AND ANALYSIS OF JVCO FOR THE PERIOD FROM SEPTEMBER 22, 2017 (DATE OF INCORPORATION OF JVCO) TO JUNE 30, 2019

BUSINESS OVERVIEW

As an international development platform for ZAOIL, the first internet insurance company in China, JVCo was established in Hong Kong in December 2017 to explore international business development, virtual bank, cooperation and investment opportunities in relation to Fintech and Insuretech business in overseas markets. JVCo focuses on providing innovative technologies and solutions for the traditional insurance companies and developing integrated insurance and financial solutions for the internet platforms. In the past years, JVCo has basically completed the preparation work for its international business, with a focus to export technologies to the Asian markets at the early stage of development.

On July 31, 2018, JVCo entered into a shareholder agreement with Soft Bank Vision Fund, pursuant to which Soft Bank Vision Fund, as a strategic investor, will participate in a new operating entity established by JVCo to jointly explore development opportunities for overseas business, with an aim to support JVCo in its efforts to further expand the development of its Insuretech, Fintech and other technology solution businesses in overseas markets.

On September 26, 2018, JVCo entered into a cooperation agreement with Sompo Japan Insurance Inc. ("**SOMPO**"), pursuant to which JVCo will, based on ZAOIL's experiences and technology strengths gained from the Insuretech market in China over the past five years, export Insuretech solutions to SOMPO to facilitate upgrading of the core insurance system and digital transformation.

On January 16, 2019, JVCo and Grab Holdings Inc. ("**Grab**", a leading O2O platform in Southeast Asia) announced to form a joint venture company to jointly explore the Internet insurance distribution business in Southeast Asia. JVCo will establish a digital insurance sales platform and provide back-office technology support for the joint venture company.

On March 27, 2019, ZA Bank Limited (formerly known as ZhongAn Virtual Finance Limited), a subsidiary of JVCo, was granted the first batch of Hong Kong virtual banking licenses by Hong Kong Monetary Authority to provide online financial services in Hong Kong.

On April 11, 2019, ZA Tech Global Limited, a subsidiary of JVCo, has entered into a strategic partnership with NTUC Income, a leading insurer in Singapore, to scale innovation in digital insurance in Singapore.

JVCo will continue to establish and improve its target-oriented team management system and cultivate key talents. In addition, JVCo will continue to leverage on the advantage of Hong

Kong as an international city to establish a stronghold in Hong Kong. While making strenuous efforts to exploit markets in Hong Kong, Japan and Southeast Asia, JVCo will explore business opportunities in other countries and regions across the globe, seek for more ecosystem partners and continue to export Insuretech solutions and provide integrated financial services.

The management believes, based on JVCo's experiences gained from the insuretech market in China, it will develop world-leading cloud-based and open-ended insurance industry core platform products, and create hybrid ecosystems integrating traditional insurance industry and internet platforms, with an aim to become the preferred partner for insurance digitalization and financial service provider in the Asia Pacific region.

FOR THE PERIOD FROM SEPTEMBER 22, 2017 (DATE OF INCORPORATION OF JVCO) TO DECEMBER 31, 2018

FINANCIAL REVIEW

Revenue and Loss for the Period

For the period ended December 31, 2018, JVCo had revenue and other income of approximately HK$20 million. The revenue was attributed to income from technology development of approximately HK$14 million and interest income of HK$7 million. The operating expenses amounted to HK$148 million. The expenses mainly comprised of staff costs amounting to HK$83 million, legal and professional fee amounting to HK$44 million and rent & property management fee amounting to HK$9 million. JVCo recorded loss attributable to the owners of JVCo of HK$131 million.

Liquidity and Financial Resources, Gearing Ratio, Treasury Policy

JVCo primarily funded its operation by its own capital and issuance of Redeemable Preference Shares. As at December 31, 2018, JVCo's cash and bank balances were approximately HK$1,146 million. JVCo did not have any external borrowings, hence the gearing ratio was not applicable. The net assets of JVCo were approximately HK$1,051 million.

Capital Commitment

As at December 31, 2018, JVCo did not have any capital commitments.

Exchange Exposure

During the period ended December 31, 2018, JVCo operated internationally and is exposed to foreign exchange risk, primarily RMB, USD and Japanese Yen ("**JPY**").

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable JPY revenue and expenditures. The risk is hedged by matching the costs and revenues in foreign currencies with the objective of minimising the volatility of the Hong Kong dollar against foreign currencies.

Employee and Remuneration Policy

As at December 31, 2018, JVCo had approximately 49 full-time employees for its principal activities. JVCo recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided.

Contingent Liabilities

As at December 31, 2018, JVCo did not have any material contingent liabilities.

Significant Investment and Material Acquisition and Disposal

JVCo had no significant investment or material acquisition or disposal of subsidiaries and associates during the period ended December 31, 2018.

Charge on Assets

As at December 31, 2018, none of JVCo's assets was subject to any charge.

Capital Structure

As at December 31, 2018, JVCo had total liabilities of approximately HK$116 million mainly comprising amount due to related parties. JVCo had a total equity of approximately HK$1,051 million. During the period ended December 31, 2018, JVCo issued the following Redeemable Preference Shares:

- 526,450,500 Redeemable Preference Shares of RMB1 each to the Company for a consideration of RMB526,450,500 (equivalent to approximately HK$600,000,000) according to the Joint Venture Agreement; and

- 87,716,000 Redeemable Preference Shares of RMB1 each to a third party for a consideration of RMB87,716,000 (equivalent to approximately HK$100,000,000) according to a subscription agreement relating to Redeemable Preference Shares dated June 4, 2018.

The Redeemable Preference Shares have no fixed maturity date and carry a fixed interest rate of 5.5% per annum, which are redeemable at JVCo's discretion.

Future Plans for Material Investment or Capital Assets

As at December 31, 2018, JVCo did not have any plans for material investments and capital assets.

FOR THE PERIOD FROM JANUARY 1, 2019 TO JUNE 30, 2019

FINANCIAL REVIEW

Revenue and Loss for the Period

For the period ended June 30, 2019, JVCo had revenue of approximately HK$45 million. The revenue was mainly attributed to income from technology development of approximately HK$31 milllion, interest income of approximately HK$7 million and maintence service income of approximately HK$4 million. The operating expenses amounting to HK$168 million, mainly comprising of staff costs amounting to HK$108 million, information technology expenses amounting to HK$21 million and travelling costs amounting to HK$8 million. JVCo recorded loss attributable to the owners of JVCo of HK$113 million.

Liquidity and Financial Resources, Gearing Ratio, Treasury Policy

JVCo primarily funded its operation by its own capital and issuance of Redeemable Preference Shares. As at June 30, 2019, JVCo's cash and bank balances were approximately HK$1,190 million. JVCo did not have any external borrowings, hence the gearing ratio was not applicable. The net assets of JVCo were approximately HK$1,002 million.

Capital Commitment

As at June 30, 2019, JVCo had no capital commitment.

Exchange Exposure

During the period ended June 30, 2019, JVCo operated internationally and is exposed to foreign exchange risk, primarily RMB, USD, JPY and Singaporean Dollar ("**SGD**").

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable JPY revenue and expenditures. The risk is hedged by matching the costs and revenues in foreign currencies with the objective of minimising the volatility of the Hong Kong dollar against foreign currencies.

Employee and Remuneration Policy

As at June 30, 2019, JVCo had approximately 101 full-time employees for its principal activities. JVCo recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided.

Contingent Liabilities

As at June 30, 2019, JVCo did not have any material contingent liabilities.

Significant Investment and Material Acquisition and Disposal

On February 4, 2019, JVCo acquired an additional 35% of the issued shares of ZhongAn Financial Services Limited for HK$362,580,827. Immediately prior to the purchase, the carrying amount of the existing 35% non-controlling interest in ZhongAn Financial Services Limited was HK$352,990,251.

Charge on Assets

As at June 30, 2019, none of JVCo's assets was subject to any charge.

Capital Structure

As at June 30, 2019, JVCo had total liabilities of approximately HK$256 million mainly comprising amount due to related parties. JVCo had a total equity of approximately HK$1,002 million. During the period ended June 30, 2019, JVCo issued 342,048,000 Redeemable Preference Shares of RMB1 each to a third party for a consideration of RMB342,048,000 (equivalent to approximately HK$400,000,000) according to a subscription agreement relating to Redeemable Preference Shares dated June 4, 2018 (the "**Subscription Agreement**").

Subsequent to the period ended June 30, 2019, on July 26, 2019:

- 378,507,500 Redeemable Preference Shares of RMB1 each were issued to a third party for a consideration of RMB378,507,500 (equivalent to approximately HK$430,000,000) according to the Subscription Agreement; and

- 93,549,500 Redeemable Preference Shares of RMB1 each were issued to the Company for a consideration of RMB93,549,500 (equivalent to approximately HK$106,276,058) according to the Joint Venture Agreement. There are no oustanding Redeemable Preference Shares to be issued to the Company.

Future Plans for Material Investment or Capital Assets

As at June 30, 2019, JVCo did not have any plans for material investments and capital assets.

(A) Basis of preparation of the unaudited pro forma financial information of the Group after Sinolink Subscription

The unaudited pro forma financial information is prepared to provide information on the Group as a result of the completion of the Sinolink Subscription on the basis of notes set out below for illustrating the effect of the Sinolink Subscription, as if the Sinolink Subscription had taken place on 31 December 2018 for the preparation of the unaudited pro forma consolidated statement of assets and liabilities (the "Unaudited Pro Forma Financial Information").

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and because of its hypothetical nature, it does not purport to represent what the assets and liabilities of the Group would have been upon completion of the Sinolink Subscription as at 31 December 2018 or on any future dates.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2018 as extracted from the Group's audited consolidated financial statements for the year ended 31 December 2018 set out in the latest published Annual Report of the Group for the year ended 31 December 2018 after making pro forma adjustments that are directly attributable to the Sinolink Subscription and not relating to future events or decisions; and factually supportable as if the Sinolink Subscription had been completed on 31 December 2018.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group upon completion of the Sinolink Subscription

	Consolidated statement of assets and liabilities of the Group as at 31 December 2018	**Pro forma adjustments for the Sinolink Subscription**		**Pro forma consolidated statement of assets and liabilities of the Group after completion of the Sinolink Subscription**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	
Non-current assets				
Property, plant and equipment	258,820			258,820
Prepaid lease payments	58,412			58,412
Investment properties	2,654,600			2,654,600
Amounts due from associates	125,537			125,537
Interests in associates	115,681	1,096,786		1,212,467
Equity instruments at FVTOCI	1,894,958			1,894,958
Other receivables	158,399			158,399
Loans receivables	1,491			1,491
Loan receivable from associates	567,146			567,146
Finance lease receivables	69,150			69,150
Deferred tax assets	828			828
Long-term bank deposits	50,228			50,228
Pledged bank deposits	776,256			776,256
	6,731,506			7,828,292
Current assets				
Stock of properties	867,991			867,991
Trade and other receivables, deposits and prepayments	91,593			91,593
Loans receivable	360,389			360,389
Finance lease receivables	84,221			84,221
Other financial assets at FVTPL	1,304,546			1,304,546
Prepaid lease payments	1,227			1,227
Short-term bank deposits	141,919			141,919
Structured deposits	239,726			239,726

	Consolidated statement of assets and liabilities of the Group as at 31 December 2018	Pro forma adjustments for the Sinolink Subscription		Pro forma consolidated statement of assets and liabilities of the Group after completion of the Sinolink Subscription
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	
Pledged bank deposits	601			601
Cash and cash equivalents	1,538,713	(1,096,786)	(3,000)	438,927
	4,630,926			3,531,140
Current liabilities				
Trade payables, deposits received and accrued charges	501,388			501,388
Contract liabilities	10,865			10,865
Taxation payable	710,667			710,667
Borrowings - due within one year	341,205			341,205
	1,564,125			1,564,125
Net current assets	3,066,801			1,967,015
Total assets less current liabilities	9,798,307			9,795,307
Non-current liabilities				
Borrowings - due after one year	685,599			685,599
Deferred tax liabilities	825,060			825,060
	1,510,659			1,510,659
Net assets	8,287,648			8,284,648

Notes:

1 The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2018 as set out in the published annual report of the Company for the year ended 31 December 2018.

2 The adjustment reflects the addition to interests in associates of RMB960,784,000 (equivalent to HK$1,096,786,000 using the exchange rate of RMB:HK$ 0.876 as at 31 December 2018) with the equal amount on the cash payment assuming the subscription of 980,000,000 new JVCo Ordinary Shares was completed on 31 December 2018. No representation is made that the Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

3 The adjustment represents expenditures incurred directly in connection with the Sinolink Subscription including legal fees, printing costs, reporting accountants' fees, and other related expenses to be borne by the Group of HK$3,000,000.

4 Except for the Sinolink Subscription and provision of estimated amount paid for legal and professional fees, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2018.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

Deloitte. 德勤

To the Directors of Sinolink Worldwide Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2018 and related notes as set out on pages IV-1 to IV-4 of Appendix IV to the circular issued by the Company dated August 16, 2019 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page IV-1 to IV-4 of Appendix IV to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the subscription by the Company of an aggregate of 980,000,000 new voting ordinary shares in the share capital of ZhongAn Technologies International Group Limited (the "Sinolink Subscription") on the Group's financial position as at 31 December 2018 as if the Sinolink Subscription had taken place at 31 December 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2018 on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2018 would have been as presented.

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

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 16, 2019

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS

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

Directors' long positions in the Shares and underlying Shares

Name of Directors	Capacity	Interest in Shares: Personal Interest	Interest in Shares: Corporate Interest	Interest in Shares: Family Interest	Total interest in Shares	Interest in underlying Shares pursuant to share options	Aggregate interest	Approximate percentage of the issued Shares as at the Latest Practicable Date
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 *(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 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. Accordingly, Mr. Ou is deemed to be interested in the Shares held by Asia Pacific under the SFO.

Directors' interest in options to subscribe for Shares

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

Notes:

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

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

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

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

Long positions and short positions in the Shares or underlying Shares

Name of Shareholder	Capacity/ Nature of interest	Interest in Shares	Interest in derivatives	Total interests	Approximate percentage of the issued Shares as at the Latest Practicable Date
Asia Pacific *(Note 1)*	Beneficial owner/ Beneficial interest	1,590,283,250 (Long position)	_	1,590,283,250 (Long position)	44.90%
Karst Peak Capital Limited *(Note 2)*	Investment manager/ Other interest	171,988,000 (Long position)	150,998,000 (Long position)	322,986,000 (Long position)	9.12%
Adam Gregory LEITZES *(Note 2)*	Interest in controlled corporation/ Corporate interest	171,988,000 (Long position)	150,998,000 (Long position)	322,986,000 (Long position)	9.12%
Morgan Stanley *(Note 3)*	Interest in controlled corporation/ Corporate interest	302,715,084 (Long position)	_	302,715,084 (Long position)	8.54%
		_	142,577,000 (Short position)	142,577,000 (Short position)	4.02%

Notes:

(1) The 1,590,283,250 Shares are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, an non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in Shares held by Asia Pacific under the SFO. His interests are disclosed in the subsection headed "Directors' long positions in the Shares and underlying Shares" above.

(2) Karst Peak Capital Limited ("**Karst Peak**") as investment manager through a number of 100% controlled funds, holds these 322,986,000 Shares, including unlisted derivative interests of 150,998,000 Shares with cash settled. Adam Gregory LEITZES controlled 100% interests in Karst Peak. Accordingly, Adam Gregory LEITZES is deemed to be interested in those Shares held by Karst Peak under the SFO.

(3) Morgan Stanley, through a number of wholly-owned direct and indirect controlled corporations, holds (i) these 302,715,084 Shares (long position); and (ii) these 142,577,000 Shares (short position) which is unlisted derivative with cash settled.

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

4. DIRECTORS' SERVICE CONTRACT

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

5. COMPETING INTERESTS OF DIRECTORS

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

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

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

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2018 (being the date to which the latest published audited accounts of the Group were made up).

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by members of the Group within two years immediately preceding the date of this circular, which are or may be material:

(a) the joint venture formation agreement dated December 8, 2017 entered into between the Company and ZhongAn Technology in relation to the capital contribution in the amount of RMB60 million by the Company to JVCo for certain JVCo Ordinary Shares and an additional capital contribution of RMB620 million by the Company to JVCo for certain Redeemable Preference Shares;

(b) the amendment agreement dated March 28, 2018 entered into between the Company and ZhongAn Technology in relation to amendment of certain terms of the Joint Venture Agreement; and

(c) the share subscription agreement dated July 18, 2019 entered into among the Company, ZhongAn Technology and JVCo in relation to the subscription by the Company in certain new JVCo Ordinary Shares for a total subscription price of RMB960,784,313.73.

8. MATERIAL LITIGATION

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

9. QUALIFICATION

The following are the names and qualifications of the experts (the "**Experts**") who have given opinion or advice contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
PricewaterhouseCoopers	Certified Public Accountants

As at the Latest Practicable Date, each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the Experts has confirmed that:

(a) it did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(b) it did not have any direct or indirect interests in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group since December 31, 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

10. GENERAL

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

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

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

(d) The English text of this circular and the accompanying form of proxy shall prevail over this respective Chinese text in the case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at 28th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong from the date of this circular up to the date which is 14 days from the date of this circular (both days inclusive):

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company for the years ended December 31, 2016, 2017 and 2018, respectively;

(c) the accountant's report on JVCo issued by PricewaterhouseCoopers, the text of which is set out in Appendix II to this circular;

(d) the letter on the unaudited pro forma financial information of the Group upon completion of the Sinolink Subscription issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;

(e) the consent letters referred to in the paragraph under the heading "Qualification" in this Appendix to this circular;

(f) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix to this circular; and

(g) this circular.

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

NOTICE IS HEREBY GIVEN that a special general meeting of Sinolink Worldwide Holdings Limited (the "**Company**") will be held at the Board Room, 28th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Wednesday, September 4, 2019 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(1) (a) the share subscription agreement (the "**Share Subscription Agreement**") entered into among the Company, ZhongAn Information Technology Services Co., Ltd.* (眾安信息技術服務有限公司) and ZhongAn Technologies International Group Limited (眾安科技(國際)集團有限公司) ("**JVCo**") dated July 18, 2019 and the subscription by the Company (the "**Sinolink Subscription**") of an aggregate of 980,000,000 new voting ordinary shares in the share capital of JVCo for a total subscription price of RMB960,784,313.73 pursuant to the terms and conditions of the Share Subscription Agreement be and are hereby approved, confirmed and ratified; and

(b) any director of the Company be and is hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he may in his absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the Share Subscription Agreement and the Sinolink Subscription and all matters incidental or ancillary thereto."

By Order of the Board
Sinolink Worldwide Holdings Limited
Xiang Ya Bo
Chairman and Chief Executive Officer

Hong Kong, August 16, 2019

* *For identification purpose only*

Registered Office
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

Notes:

(i) Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member of the Company.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

(iii) To be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned meeting.

(iv) Record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for the purpose of determining the entitlements of the Shareholders to attend and vote at the SGM will be on Thursday, August 29, 2019. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Thursday, August 29, 2019.

(v) In the case of joint holders of a share, if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the executive Directors of the Company are Mr. Xiang Ya Bo (Chairman and Chief Executive Officer) and Mr. Chen Wei; the non-executive Directors are Mr. Ou Yaping, Mr. Ou Jin Yi Hugo and Mr. Tang Yui Man Francis; the independent non-executive Directors are Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin.