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百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

DISCLOSEABLE TRANSACTION CAPITAL INCREASE IN THE JV COMPANY

CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 27 October 2021, Sinolink HK, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with the JV Company and the other JV Shareholders (namely, Bestpay and ZhongAn Technology), pursuant to which the JV Shareholders (including Sinolink HK) have agreed to increase the registered capital of the JV Company from RMB510 million to RMB1.02 billion, and Bestpay, ZhongAn Technology and Sinolink HK have agreed to contribute RMB210 million, RMB210 million and RMB90 million, respectively, in cash in proportion to their respective shareholdings in the JV Company, subject to the terms and conditions set out therein.

Upon Completion, the shareholding of Bestpay, ZhongAn Technology and Sinolink HK in the JV Company shall remain unchanged as 41.1765%, 41.1765% and 17.6470%, respectively, and the JV Company will continue to be accounted as an associate of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in accordance with the Listing Rules in respect of the Capital Increase exceed 5% but are less than 25%, the Capital Increase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 27 October 2021 Sinolink HK, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with the JV Company and the other JV Shareholders (namely, Bestpay and ZhongAn Technology), pursuant to which the JV Shareholders (including Sinolink HK) have agreed to increase the registered capital of

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CAPITAL INCREASE AGREEMENT

Date

27 October 2021

Parties

- (1) The JV Company;
- (2) Bestpay;
- (3) ZhongAn Technology; and
- (4) Sinolink HK.

Subject matter

Pursuant to the Capital Increase Agreement, the JV Shareholders (including Sinolink HK) have agreed to increase the registered capital of the JV Company from RMB510 million to RMB1.02 billion.

Consideration

The aggregate amount of capital contribution payable by the JV Shareholders to the JV Company for the Capital Increase under the Capital Increase Agreement is RMB510 million, further details of which are set out below:

JV Shareholders	Amount of capital contribution payable (RMB)
Bestpay	210 million
ZhongAn Technology	210 million
Sinolink HK	90 million
Total:	<u>510 million</u>

The payment of the capital contribution by the JV Shareholders shall be made within ten (10) business days after the production of certain documents specified in the Capital Increase Agreement by the JV Company to the Shareholders (including the duly executed Capital Agreement, certain board resolutions, articles of association of the JV Company and notice of payment issued by the JV Company) to an account designated by the JV Company.

The amount of capital contribution for the Capital Increase was determined after arm's length negotiations among the JV Shareholders with reference to, among other things, (i) their respective shareholding in the JV Company; and (ii) the estimated business needs and future business development of the JV Company.

The amount of capital contribution for the Capital Increase by Sinolink HK will be funded by the internal resources of the Group.

Completion

The Completion shall take place upon the JV Company issuing a certificate of capital contribution to each of the JV Shareholders evidencing the satisfaction of their payment obligation and their respective shareholdings in the JV Company in relation to their capital contribution to the registered capital, which shall be issued within two (2) business days after the approval of the Capital Increase by a competent local financial regulatory authority in respect of the JV Company.

Upon Completion, the shareholding of Bestpay, ZhongAn Technology and Sinolink HK in the JV Company shall remain unchanged as 41.1765%, 41.1765% and 17.6470%, respectively, and the JV Company will continue to be accounted as an associate of the Company.

Shareholding Structure of the JV Company

The table below sets forth the shareholding structure of the JV Company as at the date of this announcement and upon Completion:

JV Shareholders	As at the date of this announcement		Upon Completion	
	Amount of contribution	Percentage of shareholding	Amount of contribution	Percentage of shareholding
	<i>(RMB)</i>	<i>(%)</i>	<i>(RMB)</i>	<i>(%)</i>
Bestpay	210 million	41.1765	420 million	41.1765
ZhongAn Technology	210 million	41.1765	420 million	41.1765
Sinolink HK	<u>90 million</u>	<u>17.6470</u>	<u>180 million</u>	<u>17.6470</u>
Total	<u>510 million</u>	<u>100.0000</u>	<u>1.02 billion</u>	<u>100.0000</u>

Use of proceeds

All the funds obtained by the JV Company through the Capital Increase shall be used to supplement the working capital required by the core business operations of the JV Company.

Management of the JV Company

After Completion, there will be no change in the voting mechanism and composition of the board of directors of the JV Company, which will continue to be comprised of five (5) directors, including two (2) existing directors appointed by Bestpay, two (2) existing directors appointed by ZhongAn Technology and one (1) existing director appointed by Sinolink HK.

Pre-emption rights and transfer restrictions

Pre-emption rights

In the event that the JV Company further increases its registered capital (excluding the Capital Increase), each of the JV Shareholders shall be entitled to a pre-emption right to subscribe for new registered capital in proportion to their existing shareholdings in the JV Company at the same price and on the same terms as those offered to a third party pursuant to the procedures set out in the Capital Increase Agreement.

Right of first offer

After Completion, in the event that any of the JV Shareholders intends to sell all or part of its shareholding in the JV Company to any third party, such selling JV Shareholder shall inform the other JV Shareholders, who shall be entitled to a pro-rata right of first offer to acquire the equity interest proposed to be disposed of by the selling JV Shareholder at the same price and on the same terms as those offered to a third party pursuant to the procedures set out in the Capital Increase Agreement.

Anti-dilution right

After Completion, any further capital increase by the JV Company shall require prior notice by the JV Company to each of the JV Shareholders and approval by over two-third of the members of the JV Company's board of directors.

INFORMATION OF THE PARTIES

Information on the JV Company

The JV Company is a company with limited liability incorporated under the laws of PRC. The JV Company was established pursuant to a joint venture agreement dated 11 October 2017 between ZhongAn Technology and Sinolink HK, which did not constitute a notifiable transaction of the Company under the Listing Rules. The JV Company is principally engaged in provision of various kinds of loans, discounted notes, asset transfer and equity investments with private funds.

Based on the financial statements of the JV Company prepared in accordance with the Accounting Standards for Business Enterprises, the financial information of the JV Company for the two years ended 31 December 2019 and 2020 was approximately as follows:

	For the year ended	
	31 December	
	2019	2020
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Profits before taxation	817	9,021
Profits after taxation	355	6,888

The audited total assets and audited net asset value of the JV Company as at 31 December 2020 were approximately RMB701.3 million and RMB521.7 million, respectively.

Information on Bestpay

Bestpay is a company incorporated in the PRC and is principally engaged in the provision of electronic payment services by using different channels such as mobile phones, fixed line telephones and POS terminals to provide safe, convenient and trendy financial information services such as “communication and payment” and “payment and financial” services for state owned enterprises and individual users to pay telecom bills and accumulate telecom points with differentiated sources of funds.

Bestpay is a subsidiary of China Telecom Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, with its H shares listed on the Main Board of the Stock Exchange (stock code: 728) and its A shares listed on the Shanghai Stock Exchange, and whose principal business is the provision of fundamental telecommunications services including comprehensive wireline telecommunications services, mobile telecommunications services, value-added services such as Internet access services, information services and other related services. According to the notices filed pursuant to Part XV of the Securities and Futures Ordinance, China Telecommunications Corporation was interested in 57,377,053,317 domestic shares in China Telecom Corporation Limited, representing 73.91% of its total issued A shares and 62.70% of its total issued H shares.

Information on Zhongan Technology

ZhongAn Technology is a company incorporated in the PRC with limited liability and is principally engaged in the business of technology development and technology consulting. Zhongan Technology is a direct wholly-owned subsidiary of ZAOIL, 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). ZAOIL is an online Insurtech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of four major ecosystems, namely health digital lifestyle, consumer finance and auto ecosystems.

Information on the Company and Sinolink HK

The Company was incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 1168). Its principal business activity is increasingly focusing on financial technology (FinTech) investment and management, along with property development, property management and investment, financial services and asset financing.

Sinolink HK is a company incorporated under the laws of Hong Kong and an indirect wholly owned subsidiary of the Company. Its principal business activity is investment holding.

The Company and ZhongAn Technology had also previously established a joint venture, namely ZhongAn Technologies International Group Limited, for the purpose of exploring international business development, collaboration and investment opportunities in the area of Fintech and Insurtech, including virtual banking and digital-only insurance in Hong Kong. ZhongAn Technologies International Group Limited is not recorded as a subsidiary of the Company.

Save as otherwise disclosed in this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the JV Shareholders and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

As the proceeds from the Capital Increase will be used to replenish the working capital required in the core business of the JV Company, the Capital Increase is conducive to raising the industry position of the JV Company by providing the necessary funding to support its development and expansion of business scale.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement, which were negotiated on an arm's length basis, are fair and reasonable and the Capital Increase is in the interests of the Company its shareholders as a whole.

Mr. OU Yaping, being a non-executive Director of the Company and the chairman and 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 board resolutions in relation to the Capital Increase Agreement and matters contemplated therein.

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

LISTING RULES IMPLICATIONS

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DEFINITIONS

“%”	per cent
“Bestpay”	China Telecom Bestpay E-commerce Ltd. (天翼電子商務有限公司), a company incorporated in the PRC and a subsidiary of China Telecom Corporation Limited
“Board”	the board of Directors
“Capital Increase”	the capital contribution for the increase in the registered capital of the JV Company by RMB510 million by Bestpay, ZhongAn Technology and Sinolink HK in the amount of RMB210 million, RMB210 million and RMB90 million, respectively
“Capital Increase Agreement”	the capital increase agreement entered into among Sinolink HK, the JV Company, Bestpay and ZhongAn Technology dated 27 October 2021
“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 Capital Increase in accordance with the terms and conditions of the Capital Increase Agreement
“Director(s)”	the director(s) of the Company
“Hong Kong”	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
“JV Company”	Chongqing ZhongAn Loan Co., Ltd. (重慶眾安小額貸款有限公司), a company with limited liability incorporated under the laws of the PRC law

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes, Hong Kong, Taiwan and Macau Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“JV Shareholders”	Sinolink HK, Bestpay and ZhongAn Technology, and each a “JV Shareholder”
“Sinolink HK”	Sinolink Worldwide (HK) Company Limited, a company incorporated under the laws of Hong Kong and an indirect wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 under the laws of 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 Technology”	ZhongAn Information and Technology Services Co., Ltd. (眾安信息技術服務有限公司), a wholly-owned subsidiary of ZAOIL, incorporated under the laws of the PRC on 7 July 2016

On behalf of the Board
Sinolink Worldwide Holdings Limited
XIANG Ya Bo
Chairman and Chief Executive Officer

Hong Kong, 27 October 2021

As at the date of this announcement, the Board comprises, Mr. XIANG Ya Bo (Chairman and Chief Executive Officer) and Mr. CHEN Wei as Executive Directors; Mr. OU Yaping, Mr. OU Jin Yi Hugo, and Mr. TANG Yui Man Francis as Non-executive Directors; and Mr. TIAN Jin, Dr. XIANG Bing and Mr. XIN Luo Lin as Independent Non-executive Directors.