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百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

**DISCLOSEABLE TRANSACTION
INVOLVING DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
SINOLINK INDUSTRIAL LIMITED**

Financial Adviser to Sinolink Worldwide Holdings Limited

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

* For identification purpose only

10th April, 2002

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DEFINITIONS

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

“acquisition”	the acquisition of 1,089,310,445 shares in SilverNet representing approximately 29.99% of the issued share capital of SilverNet by Sinolink from a wholly-owned subsidiary of Silver Grant for a consideration of HK\$163.4 million which will be satisfied as to HK\$81.8 million by cash and as to HK\$81.6 million by the issue of a convertible note or a loan note (as the case may be) by Sinolink
“acquisition agreement”	a conditional agreement entered into between Sinolink and Silver Grant on 8th March, 2002 in relation to the acquisition
“board”	board of directors of the company
“company” or “Sinolink”	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“disposal”	the disposal of Sinolink’s 100% shareholding interest in Sinolink Industrial and the assignment of Sinolink’s shareholders’ loans to Sinolink Industrial in the sum of approximately HK\$137.9 million (which is interest free) to SilverNet or its nominees
“disposal agreement”	a conditional agreement entered into between Sinolink and SilverNet dated 8th March, 2002 in relation to the disposal
“Fuhuade”	Shenzhen Fuhuade Electric Power Co., Ltd., a sino-foreign equity joint venture established in the PRC with limited liability which is indirectly held as to 70% by Sinolink Industrial
“group”	the company and its subsidiaries
“latest practicable date”	8th April, 2002, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China and for the purpose of this circular, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong), as amended from time to time
“Silver Grant”	Silver Grant International Industries Ltd., a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“SilverNet”	SilverNet Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Sinolink Electric Power”	Sinolink Electric Power Company Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Sinolink Industrial
“Sinolink Industrial”	Sinolink Industrial Limited, a company incorporated in the British Virgin Islands with limited liability which is a wholly-owned subsidiary of the company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

For the purposes of illustration only and unless otherwise stated, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB1.06. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Executive directors:

Ou Yaping (*chairman and managing director*)
Law Sze Lai
Chen Wei
Tang Yui Man, Francis

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive directors:

Cheung Wing Yui
Tsang Yu Chor, Patrick
Liang Xiaoting

*Head office and principal place
of business in Hong Kong:*

25th Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

10th April, 2002

To the shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
INVOLVING DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
SINOLINK INDUSTRIAL LIMITED**

INTRODUCTION

On 12th March, 2002, the board of directors of each of the company and SilverNet jointly announced that the company had entered into the acquisition agreement dated 8th March, 2002 to acquire 1,089,310,445 shares in SilverNet representing approximately 29.99% of the issued share capital of SilverNet from a wholly-owned subsidiary of Silver Grant for a consideration of HK\$163.4 million which will be satisfied as to HK\$81.8 million by cash and as to HK\$81.6 million by the issue of a convertible note or a loan note (as the case may be) by Sinolink.

* *For identification purpose only*

LETTER FROM THE BOARD

On the same date, the board of directors of each of the company and SilverNet also jointly announced that in addition to the acquisition agreement, the company had entered into the disposal agreement dated 8th March, 2002 to sell its 100% shareholding interest in Sinolink Industrial and to assign its shareholders' loans owing to it by Sinolink Industrial, in the sum of approximately HK\$137.9 million and which is interest free, to SilverNet or its nominees. Sinolink Industrial is indirectly interested in 70% of the registered capital of Fuhuade through its wholly-owned subsidiary Sinolink Electric Power. The consideration for the disposal is HK\$360.4 million, of which HK\$163.4 million shall be satisfied by cash and the balance of approximately HK\$197.0 million shall be payable on demand and shall carry interest until actual payment at the rate of 3% per annum payable semi-annually.

Upon completion of the acquisition and the disposal, Sinolink will be interested in 29.99% of the issued share capital of SilverNet. SilverNet will be interested in 100% of the issued share capital of Sinolink Industrial, which in turn, is indirectly interested in 70% of the issued share capital of Fuhuade.

Under the Listing Rules, the entering into of the disposal agreement constitutes a discloseable transaction for the company.

The purpose of this circular is to provide you with further information relating to the disposal agreement.

DISPOSAL AGREEMENT

Date

8th March, 2002

Parties

Vendor: Sinolink

Purchaser: SilverNet

Interest to be disposed

Sinolink has agreed to sell and SilverNet has agreed to acquire the entire issued share capital of Sinolink Industrial. Sinolink has also agreed to assign to SilverNet the shareholders' loan, in an amount equivalent to approximately HK\$137.9 million and which is interest free, owing to it by Sinolink Industrial. Sinolink Industrial is in turn interested in 70% of the registered capital of Fuhuade through a wholly-owned subsidiary, Sinolink Electric Power, a company incorporated under the laws of Hong Kong. The audited consolidated net liabilities of Sinolink Industrial for each of the two years ended 31st December, 2001 was approximately HK\$20.37 million and approximately HK\$13.58 million respectively. The audited consolidated net loss for the year ended 31st December, 2000 was approximately HK\$11.44 million and the audited consolidated net profit for the year ended 31st December, 2001 was approximately HK\$6.79 million.

Consideration

The consideration for the disposal was determined, after arm's length negotiations with reference to the past and future profitability of Fuhuade and the growth capacity of Fuhuade in the future, to be HK\$360.4 million, of which HK\$163.4 million shall be satisfied by cash from internal resources of SilverNet at completion of the disposal and the balance of HK\$197.0 million shall remain payable on demand and shall carry interest until actual payment at the rate of 3% per annum payable semi-annually. Payment of the HK\$197.0 million and the interest accrued thereon will be secured by share charges given by SilverNet and Sinolink Industrial (and its nominee(s)) respectively over the shares in Sinolink Industrial and Sinolink Electric Power respectively and an undertaking to be given by Sinolink Electric Power not to create, among other things, any security interest over its interest in 70% of the registered capital of Fuhuade, in each case in favour of Sinolink.

The audited net liabilities of Sinolink Industrial and its subsidiaries as at 31st December, 2001 was approximately HK\$13.58 million.

Conditions of the disposal agreement

Completion of the disposal agreement is conditional upon:

- the passing of an ordinary resolution of the independent shareholders of SilverNet at a special general meeting of SilverNet to approve the disposal agreement and the transactions contemplated thereunder; and
- the acquisition agreement having been entered into and becoming in all respects unconditional in accordance with its terms save for any condition therein requiring the disposal agreement to be unconditional.

Profit guarantee

The disposal agreement provides that if the profit after tax of Fuhuade as shown in the audited accounts of Fuhuade, being the net profits arising from its ordinary activities after taxation and excluding any exceptional or extraordinary items (either profit or loss):

- for the two financial years ending 31st December, 2002 and 31st December, 2003 in aggregate is less than RMB135.0 million (equivalent to approximately HK\$127.4 million); or
- for the year ending 31st December, 2003 is less than RMB110.0 million (equivalent to approximately HK\$103.8 million);

(each being the “relevant guaranteed profit”) Sinolink shall, within 14 days after SilverNet issues a written demand to Sinolink, pay to SilverNet an amount equal to the shortfall between the relevant guaranteed profit and the corresponding profit.

LETTER FROM THE BOARD

The directors of Sinolink consider that the terms of the disposal are fair and reasonable and in the interest of the shareholders of Sinolink as a whole.

INFORMATION ON SINOLINK INDUSTRIAL

Sinolink Industrial is indirectly interested in 70% of the registered capital of Fuhuade. The remaining 30% of the registered capital of Fuhuade is held by Shenzhen Sinolink Enterprise Co., Ltd., a 80%-owned subsidiary of Sinolink.

Fuhuade is a sino-foreign equity joint venture established in 1994 in the PRC with an operation period of 30 years commencing from November 1994. Fuhuade operates Dapeng Power Plant which is a power plant located in Dapeng Town, Longgang District, Shenzhen, the PRC and is engaged in the business of electricity generation and supply.

The audited consolidated financial results of the Sinolink Industrial and its subsidiaries are summarised below:

	Year ended 31st December,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	<u>80,837</u>	<u>156,156</u>
(Loss)/profit before taxation	(16,133)	10,267
Taxation	<u>—</u>	<u>(486)</u>
(Loss)/profit before minority interests	(16,133)	9,781
Minority interests	<u>4,695</u>	<u>(2,988)</u>
Net (loss)/profit for the year	<u>(11,438)</u>	<u>6,793</u>

The audited net liabilities of Sinolink Industrial and its subsidiaries as at 31st December, 2001 was approximately HK\$13.58 million.

INFORMATION ON THE COMPANY

The company is listed on the main board of the Stock Exchange and is principally engaged in property development, electricity supply operations and the sale and distribution of liquefied petroleum gas and natural gas.

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

As disclosed in the circular dated 26th October, 2001 issued by Sinolink, in view of the rapidly growing demand for electricity in Shenzhen, Sinolink considered that the building and operating of a combined cycle power plant in Shenzhen would improve the profitability of the company. Therefore, the group intends to expand its electricity generation business by enlarging its output capacity in order to enhance its competitiveness in the electricity generation business. As a result, the directors of Sinolink believe that the electricity generation business will benefit from being held by a separately listed company of a listed group which will assist it in obtaining funding for the business and enhancing its standing in the PRC market.

The board of Sinolink at present has no definitive plan or decision to dispose of any business other than Fuhuade to SilverNet.

INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The board of Sinolink intends to use the net proceeds of approximately HK\$355 million from the disposal as general working capital of Sinolink.

COMPLETION

Completion of the acquisition agreement and the disposal agreement will take place on the third business day from the date on which the conditions set out in the acquisition agreement and the disposal agreement are fulfilled or such other date as the parties to the relevant agreements may agree. It is currently expected that completion of the disposal agreement will take place on 2nd May, 2002. If the conditions are not fulfilled by 60 business days after the date of the disposal agreement and the acquisition agreement (being 7th June, 2002), the disposal agreement and the acquisition agreement will lapse.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
Sinolink Worldwide Holdings Limited
Tang Yui Man, Francis
Executive director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the company. The directors, other than Mr. Liang Xiaoting who is not in Hong Kong and is not contactable, collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the opinions expressed by them herein are fair and reasonable and have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

- (a) As at the latest practicable date, the directors or chief executive of the company and their respective associates had the following interest in the equity or debt securities of the company or any of its associated corporations (as defined in the SDI Ordinance) which have been notified to the company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interests which they were taken or deemed to have under section 31 or Part I of the Schedule to the SDI Ordinance), or which were recorded in the register maintained by the company pursuant to section 29 of the SDI Ordinance, or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies:

(i) *Interest in shares of the company*

Name of director	Number of ordinary shares				Total
	Personal interest	Family interest	Corporate interest	Other interest	
Ou Yaping	2,640,000	2,756,600	1,245,185,000 (Note)	—	1,250,581,600
Tang Yui Man, Francis	6,270,000	—	—	—	6,270,000

Note: These shares are held by Asia Pacific Promotion Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Ou Yaping, chairman and managing director of the company.

(ii) Interest in a subsidiary

Name of company	Name of director	Nature of interests	Number of shares held
Sinolink Electric Power Company Limited	Ou Yaping	Personal	90,000 non-voting deferred shares

(iii) Interest in an associated corporation (within the meaning of the SDI Ordinance) of the company

Name of interested party	Name of associated corporation	Nature of interest	Percentage of equity interest in associated corporation
Ou Yaping	Shenzhen Xiangdu F.&E. Co., Ltd. (Note)	Corporate	55%

Note: These shares are held by Superline Limited, a company incorporated in Hong Kong, in which Mr. Ou Yaping and his spouse have attributable interests of 93.5% and 6.5% respectively.

(iv) Interest in options to subscribe for shares

As at the latest practicable date, under the company’s share option scheme adopted on 11th May, 1998, options to subscribe for shares in the company have been granted to the following directors:

Name of directors	Date granted	Exercise period	Exercise price HK\$	Number of share option held
Law Sze lai	01.03.1999	03.09.1999 to 03.09.2002	0.41	3,300,000
	01.03.1999	03.03.2000 to 03.09.2002	0.41	3,300,000
	01.03.1999	03.09.2001 to 03.09.2002	0.41	2,200,000
	21.09.2001	03.04.2002 to 03.04.2005	0.33	5,500,000
Chen Wei	01.03.1999	03.09.1999 to 03.09.2002	0.41	3,300,000
	01.03.1999	03.03.2000 to 03.09.2002	0.41	3,300,000
	01.03.1999	03.09.2001 to 03.09.2002	0.41	2,200,000
	21.09.2001	03.04.2002 to 03.04.2005	0.33	5,500,000

Name of directors	Date granted	Exercise period	Exercise price HK\$	Number of share option held
Tang Yui Man,	15.06.2001	01.06.2002 to 01.06.2005	0.41	1,650,000
Francis	15.06.2001	01.06.2003 to 01.06.2006	0.41	1,650,000
	21.09.2001	03.04.2002 to 03.04.2005	0.33	2,750,000
	21.09.2001	03.10.2002 to 03.10.2005	0.33	2,750,000

- (b) Save as disclosed above and other than certain nominee shares in the subsidiaries of the company held by the directors in trust for the company, none of the directors or chief executive, or their associates had or were deemed to have any interests in any securities of the company or any of its associated corporations (as defined in the SDI Ordinance) which was required to be notified to the company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interests which they were taken or deemed to have under section 31 of or Part 1 of the Schedule to the SDI Ordinance) or which was required pursuant to section 29 of the SDI Ordinance to be entered in the register referred to therein, or which was required to be notified to the company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, and none of the directors or chief executive of the company, or their spouse or children under the age of 18, had any right to subscribe for any securities of the company, or had exercised any such right as at the latest practicable date.

3. SERVICE CONTRACTS

As at the latest practicable date, none of directors of the company had entered into, or was proposing to enter into, any service contract with the company or any subsidiary of the company which does not expire or is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

4. SUBSTANTIAL SHAREHOLDERS

As at the latest practicable date and as far as the directors of the company are aware or can be ascertained after reasonable enquiry and according to the register kept by the company under section 16(1) of the SDI Ordinance, those persons having an interest of 10 per cent. or more of the issued share capital of the company were as follows:

Name of substantial shareholder	Number of shares	Percentage of existing issued capital
Asia Pacific Promotion Limited <i>(Note)</i>	1,245,185,000	68.63%
Ou Yaping	1,250,581,600	68.93%

Note: Asia Pacific Promotion Limited was incorporated in the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Ou Yaping, chairman and managing director of the company.

Save as disclosed herein, so far as the directors of the company are aware, there was no person who was interested directly or indirectly in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meeting of any members of the group as at the latest practicable date.

5. LITIGATION

As at the latest practicable date, neither the company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the directors to be pending or threatened against the company or any member of the group.

6. GENERAL

- (a) The share registrars and transfer office of the company in Hong Kong is Central Registration Hong Kong Limited whose office is situate at 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (b) The secretary of the company is Mr. Tang Yui Man, Francis who is a qualified accountant in the United States.
- (c) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.