



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION

The Directors are pleased to announce that Shenzhen Fuhuade had, on 1st October, 2001, entered into the Contract with Siemens for the supply of Equipment and performance of the Services by Siemens to Shenzhen Fuhuade to build and operate a combined cycle power plant to be located in Shenzhen, the People's Republic of China.

Based on the unaudited consolidated net tangible assets of the Group as at 30th June, 2001, the proposed transaction contemplated by the Contract constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, inter alia, details of the Contract will be sent to the shareholders of the Company in accordance with the requirements under the Listing Rules as soon as practicable.

1. THE AGREEMENT

- (A) Date
1st October, 2001
- (B) Parties
(i) Siemens as the seller; and
(ii) Shenzhen Fuhuade as the purchaser.
Siemens is a party not connected with any of the directors, chief executives or substantial shareholders of the Company or any of their respective associates as defined in the Listing Rules.
- (C) Sale and Purchase
Pursuant to the Contract, Siemens shall supply the Equipment to Shenzhen Fuhuade, including one Gas Turbine Generator Unit.
Pursuant to the Contract, Siemens shall also provide Services to Shenzhen Fuhuade, including training to the personnel of Shenzhen Fuhuade for the operation of the Equipment together with the provision of technical field assistance for installation and commissioning of the Equipment.
- (D) Consideration
The Contract Price under the Contract shall be EUR29,168,300 (equivalent to approximately HK\$209,720,077) for the following:—
(i) EUR28,234,200 (equivalent to approximately HK\$203,003,898) for the Equipment;
(ii) EUR149,300 (equivalent to approximately HK\$1,073,467) for the training of personnel of Shenzhen Fuhuade; and
(iii) EUR784,800 (equivalent to approximately HK\$5,642,712) for the provision of technical field assistance.
- (E) Effectiveness of the Contract
The Contract shall become effective and be legally binding on the parties thereto upon the occurrence of either of the following events:—
(a) (i) The relevant governmental authority having granted written approval to the Contract; or
(ii) Shenzhen Fuhuade having notified Siemens in writing to give effect to the Contract.
whichever is the earlier; and
(b) In conjunction with Siemens' confirmation to Shenzhen Fuhuade in writing that it possesses the necessary stock of the crucial equipment such as the gas turbine and generator for fulfillment of its obligations under the Contract (the "Effective Date").
It is the intention of the parties to the Contract that if the Contract does not become effective on or before 31st October, 2001, the Contract shall become null and void.
- (F) Other principal terms and conditions of the Agreement
The Contract Price shall be payable by Shenzhen Fuhuade to Siemens in the following manner:—
(i) Within 25 days from the Effective Date, Shenzhen Fuhuade shall make an initial down-payment by way of cash of 15 per cent. of the Contract Price against the receipt of the following:—
(a) an irrevocable advance payment bond similar in form and content to appendix I to the Contract, issued by Siemens' bank with an initial value of 15 per cent. of the Contract Price within 10 days from the Effective Date; and
(b) 2 originals and 1 copy of commercial invoice covering 15 per cent. of the Contract Price.
(ii) Within 30 days from the Effective Date, Shenzhen Fuhuade shall pay the remaining 85 per cent. of the Contract Price by establishing, at its expenses, in favour of Siemens an irrevocable letter of credit for the amount of EUR24,739,055 issued by a first class bank, located in China, Hong Kong or Singapore, payable by sight and advised through a first class German Bank. The letter of credit shall be amended from time to time as required to cover 100 per cent. of any storage or demurrage charges or price adjustments in accordance with the Contract.

2. REASONS FOR THE TRANSACTION

The principal activities of the Group are property development, electricity supply operations and the sale and distribution of Liquefied Petroleum Gas. In order to enhance its competitiveness in electricity generation business, the Group intends to expand its electricity generation business by enlarging its output capacity through building of a combined cycle power plant in Shenzhen. In addition, in view of the rapid growing demand of electricity in Shenzhen, the Directors consider that the building and operating of a combined cycle power plant in Shenzhen will improve the profitability of the Company. There will be cost benefits from expanding its capacity and production efficiency will be enhanced.

The terms of the Agreement have been arrived at after arm's length negotiations between the parties thereto and are based on normal commercial terms.

3. GENERAL

Payment of the Contract Price will be financed as to approximately 70 per cent. by bank borrowing and as to approximately 30 per cent. by internal resources.

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4. DEFINITIONS

- "Contract" the contract dated 1st October, 2001 entered into between Shenzhen Fuhuade as purchaser and Siemens as seller in respect of the supply of the Equipment and Services
- "Contract Price" EUR29,168,300 being the total contract price for the supply of the Equipment and performance of Services by Siemens to Shenzhen Fuhuade
- "Company" Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
- "Directors" directors of the Company
- "Equipment" means one Gas Turbine Generator Unit, the equipment, materials, components, devices, tools, computer programs, instruction brochure, any other technical documents and any other spare parts being furnished by Siemens or any of its subcontractor under the Contract
- "Hong Kong" The Hong Kong Special Administrative Region of the People's Republic of China
- "Group" the Company and its subsidiaries
- "Liquefied Petroleum Gas" a generic name for propane and butane or their mixture which is in liquid form under moderate pressure. Propane and butane are hydrocarbons created as a by-product of oil refining or from natural gas production. Liquefied Petroleum Gas is commonly used as a fuel for air and water heating in rural homes, as a fuel for cooking, barbecues and recreational vehicles, and as a transportation fuel
- "Listing Rules" Rules Governing the Listing of Securities on the Stock Exchange
- "Services" including, inter alia, (i) technical information, including data interpretation and reports, and (ii) advice, training and consultation provided by Siemens in the performance of the Contract, including technical field assistance
- "Shenzhen Fuhuade" Shenzhen Fuhuade Electricity Co., Ltd., a sino-foreign equity joint venture company incorporated in the People's Republic of China which is indirectly held as to 70% by the Company
- "Siemens" Siemens Aktiengesellschaft, a corporation organised and existing under the laws of the Federal Republic of Germany and is a party not connected with any of the directors, chief executives or substantial shareholders of the Company or any of their respective associates as defined in the Listing Rules
- "Stock Exchange" The Stock Exchange of Hong Kong Limited

For the purpose of this announcement, unless otherwise indicated, the exchange rates at EUR1 = HK\$7.19 have been used, where applicable, for purpose of illustration only and not constitute a representation that any amount have been, could have been or may be exchanged.

By order of the board of
Sinolink Worldwide Holdings Limited
Francis Tang Yui Man
Director

Please also refer to the published version of this announcement in Hong Kong iMail and Hong Kong Economic Journal.