



百仕達控股有限公司

SINOLINK WORLDWIDE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

POSSIBLE ISSUE OF CONVERTIBLE BOND AND DISCLOSEABLE TRANSACTION

SUMMARY

The board of directors (the "board") of Sinolink Worldwide Holdings Limited ("Sinolink" or the "company") noted the articles appearing in the Oriental Daily dated 7th February, 2002 regarding the possible introduction of a strategic shareholder to the company and the possible acquisition of a listed company in Hong Kong and the board also noted the other article appearing in Sing Tao Daily dated 18th February, 2002 regarding the possible acquisition of SilverNet and the development of electric generation business (the "articles") and wishes to clarify the information contained in the articles in this announcement.

The board wishes to announce that Sinolink entered into a preliminary agreement dated 7th February, 2002 to acquire 1,089,310,445 shares in SilverNet Group Limited ("SilverNet") representing about 29.99% of the issued share capital of SilverNet (the "acquisition") from Silver Grant International Industries Limited ("Silver Grant") for a consideration of approximately HK\$163.4 million, equivalent to HK\$0.15 per share (the "preliminary acquisition agreement"). The total consideration of approximately HK\$163.4 million is payable in two parts: approximately HK\$81.8 million in cash and the remaining balance being satisfied by a convertible bond issued by Sinolink.

On the same date, Sinolink also entered into another preliminary agreement with SilverNet in relation to the negotiation for entering into a formal disposal agreement to sell and/or procure the sale of its indirectly owned 70% shareholding interest in Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade") (the "disposal") to SilverNet or any of its subsidiaries (the "exclusivity agreement"). The formal disposal agreement would, if entered into, constitute a discloseable transaction for Sinolink and a major and connected transaction for SilverNet and, accordingly, it would be subject to the approval of SilverNet's independent shareholders. The acquisition of the shareholding in SilverNet by Sinolink will not take place if, among others, such approval is not obtained within 60 days of the date of the formal disposal agreement or Sinolink and SilverNet fail to sign the formal disposal agreement within 45 days after the date of the preliminary acquisition agreement or Sinolink is not satisfied with the results of a due diligence investigation in respect of SilverNet within 30 days after the date of the preliminary acquisition agreement.

It should be noted that a formal acquisition agreement and a formal disposal agreement may not be entered into in which case neither of these transactions will take place. Accordingly shareholders and investors generally are advised to exercise caution in dealing in the securities of Sinolink.

The board also wishes to announce that it has been informed by Mr. Ou Yaping ("Mr. Ou") that Asia Pacific Promotion Limited, which is legally and beneficially owned by Mr. Ou, is discussing with an independent third party on the possible introduction of a strategic shareholder to Sinolink. These discussions are at a very preliminary stage and may or may not lead to any agreement; a further announcement will be made if appropriate.

Trading in the securities of Sinolink on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") was suspended at the request of Sinolink with effect from 2:40 p.m. on 7th February, 2002 pending release of this announcement. Application has been made by the company for the resumption of trading in the securities of the company with effect from 10:00 a.m. on 20th February, 2002.

THE PRELIMINARY ACQUISITION AGREEMENT

Date

7th February, 2002

Parties

Vendor: Silver Grant, a company whose shares are listed on the Hong Kong Stock Exchange
Purchaser: Sinolink

Shares to be acquired

Sinolink currently intends to acquire 1,089,310,445 shares in SilverNet representing about 29.99% of the issued share capital of SilverNet from Silver Grant.

Consideration

The total consideration of approximately HK\$163.4 million for the acquisition of 29.99% interest in SilverNet was determined based on arm's length negotiations with reference to the unaudited net asset value of SilverNet and its subsidiaries as represented by Silver Grant for the period ended 31st December, 2001.

The total consideration of approximately HK\$163.4 million, equivalent to HK\$0.15 per share in SilverNet is, payable in two parts:

- First part: HK\$81.8 million in cash from the internal resources of Sinolink, being approximately 50% of the total consideration.
- Second part: The issue of a convertible bond with a face value of approximately HK\$81.6 million, being the balance of the total consideration. Assuming full conversion of the convertible bond, Sinolink will issue 102,000,000 new Sinolink shares, representing approximately 5.65% of its existing issued share capital and approximately 5.34% of its issued share capital as enlarged by the conversion.

The principal terms of the convertible bonds are set out below:

- Issuer: Sinolink
- Principal amount: HK\$81,600,000
- Interest: 1% per annum, payable annually
- Conversion price: HK\$0.80 per share in Sinolink
- Conversion period: The convertible bond may be converted in whole or in part into shares in Sinolink at any time up to two

shareholding interest in Fuhuade, conditionally upon the company and Silver Grant entering into the formal acquisition agreement and has undertaken not to negotiate with any person other than Sinolink in relation to any transaction or proposed transaction which would result in SilverNet no longer wishing to proceed with the acquisition or the disposal.

Basic terms and conditions

The discussion in respect of the disposal of Fuhuade or its holding company is at a very preliminary stage and nothing has been finalised so far. Apart from the following terms and conditions which have been agreed between Sinolink and SilverNet, no other terms in respect of the disposal of Fuhuade have been agreed and no agreement has been entered into in respect of such disposal:

- the consideration for Fuhuade has been 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\$360.40 million, of which HK\$163.40 million shall be satisfied by cash and the remaining HK\$197 million shall be satisfied by a secured collateralised shareholder's loan from Sinolink to SilverNet;
- the completion of the disposal of Fuhuade shall be conditional upon:-
 - (a) the unaudited net asset value of SilverNet and its subsidiaries as represented by Silver Grant for period ended 31st December, 2001 not being less than HK\$365 million; and
 - (b) Sinolink guaranteeing to SilverNet that the aggregate profit of Fuhuade for the two financial years ended 31st December, 2003 shall not be less than RMB135 million and the profit of Fuhuade for the year ended 31st December, 2003 shall not be less than RMB110 million.

Information on Fuhuade

Fuhuade is a Sino foreign equity joint venture established in the PRC with an operation period of 30 years commencing from November 1994. Fuhuade operates Dapeng Power Plant and is engaged in the business of electricity generation and supply. The audited net profits before and after taxation of Fuhuade for the financial year ended 31st December, 1999 were RMB14,477,839 and RMB13,757,942 respectively and the audited net loss after taxation for the financial year ended 31st December, 2000 was RMB22,431,078. The audited net asset value of Fuhuade as at 31st December, 2000 was RMB184,688,984.

Redemption:	Sinolink has the right to redeem any unconverted part of the bond during the period commencing six months following the date of the issue of the convertible bond up and ending on the maturity date with 15 days' written notice
Early redemption:	Silver Grant has the right to require the issuer to redeem any unconverted part of the bond on or after 15th August, 2002 with 15 days' written notice
Minimum conversion amount:	Not less than HK\$20,000,000 per conversion
Maturity date:	Second anniversary of the date of issuance of the convertible bond
Transfer:	No transfer of the bond will be permitted without the written consent of Sinolink
Listing:	No listing will be sought for the convertible bond, but an application will be made to the Hong Kong Stock Exchange for permission to list, and deal in, shares into which the convertible bond may be converted on the Hong Kong Stock Exchange

The conversion price represents a premium of approximately of 31.15% over the latest closing price as of 7th February, 2002 being the last day of trading before the publication of this announcement and a premium of approximately 40.35% over the ten day average price based on the closing prices of the ten trading days immediately preceding the date of this announcement.

Terms of the preliminary acquisition agreement

The preliminary acquisition agreement provides for the following terms:

1. Sinolink undertaking and completing a due diligence investigation in respect of SilverNet and Sinolink being satisfied with the results of such due diligence investigation on or before 26th March, 2002, being 30 days after the date of the preliminary acquisition agreement;
2. the signing of the formal acquisition agreement on or before 19th April, 2002, being 45 days after the date of the preliminary acquisition agreement;
3. the signing of the formal disposal agreement on or before 19th April, 2002, being 45 days after the date of the preliminary acquisition agreement;
4. the passing by the independent shareholders of SilverNet of an ordinary resolution at an extraordinary general meeting of SilverNet to approve the formal disposal agreement and the transactions as contemplated therein 60 days after the date of the formal disposal agreement; and,
5. completion of the acquisition will take place on the third business day after independent shareholders approval of SilverNet regarding the formal disposal agreement has been obtained.

If any of the requirements referred to in paragraphs (1), (3) and (4) above is not satisfied within the deadline set out above, the preliminary acquisition agreement will lapse and all the obligations and liabilities of the parties to the preliminary acquisition agreement will cease and terminate. If the requirement as referred in paragraph (2) above is not satisfied within the deadline set out above, the preliminary acquisition agreement states that the preliminary acquisition agreement shall continue to be legally valid between the parties thereto.

Conditions of the formal acquisition agreement

Completion of the formal acquisition agreement is conditional upon the satisfaction of the following conditions:

- the sale to third parties independent of both Silver Grant and Sinolink by Silver Grant, of all the remaining shares, other than 1,089,310,445 shares, held by Silver Grant which, as at the date of this announcement, are 14,179,555 shares, representing approximately 0.39% of the issued share capital of SilverNet, in the open market on or prior to the completion of the formal acquisition agreement;
- the giving of irrevocable joint and several warranties by (i) Silver Grant and other substantial shareholders of SilverNet, in proportion to their percentage interest in SilverNet and; (ii) the management of SilverNet in favour of Sinolink in respect of the financial condition of SilverNet prior to the completion of the formal acquisition agreement to the extent not covered in the unaudited completion accounts of SilverNet;
- the signing of the formal disposal agreement within 45 days of the date of the preliminary acquisition agreement; and
- the independent shareholders of SilverNet approving the acquisition of Fuhuae or its holding company within 60 days after the signing of the formal disposal agreement.

Silver Grant is currently interested in approximately 30.38% of the issued share capital of SilverNet. Upon completion of the formal acquisition agreement, SilverNet will cease to be an associated company of Silver Grant and Sinolink will become interested in approximately 29.99% of the issued share capital of SilverNet and will become the single largest shareholder of SilverNet.

EXCLUSIVITY AGREEMENT

Date

7th February, 2002

Parties

Sinolink and SilverNet, a company whose shares are listed on the Hong Kong Stock Exchange

Sinolink currently intends to sell or procure the sale of, and SilverNet currently intends to acquire Sinolink Electric Power Company Limited ("Sinolink Electric Power"), an indirectly wholly owned subsidiary of Sinolink, or other company which has 70%

Sinolink

Sinolink, a company listed on the main board of the Hong Kong Stock Exchange, is principally engaged in property development, electricity supply operations and the sale and distribution of liquified petroleum gas and natural gas. The audited consolidated net asset value as at 31st December, 2000 was approximately HK\$1,199 million and the audited consolidated profit after tax for the year ended 31st December, 2000 was approximately HK\$21 million. The unaudited net asset value as at 30th June, 2001 was approximately HK\$1,255 million and the unaudited profit attributable to shareholders for the six months was approximately HK\$66.2 million.

SilverNet

SilverNet, a company listed on the main board of the Hong Kong Stock Exchange, is principally engaged in investment in technology enabled businesses and property. The audited consolidated net asset value for the year ended 31st December, 2000 was approximately HK\$499 million and the audited consolidated loss for the period from 1st September, 1999 to 31st December, 2000 was approximately HK\$98.2 million. The unaudited net asset value as at 30th June, 2001 was approximately HK\$493 million and the unaudited loss for the six months ended 30th June, 2001 was approximately HK\$6.1 million.

Silver Grant

Silver Grant, a company listed on the main board of the Hong Kong Stock Exchange, is principally engaged in property investment, infrastructure and high technology investments. As at 31st December, 2000, the audited consolidated net asset value was approximately HK\$1,972 million and the audited consolidated profit for the 12 months ended 31st December, 2000 was approximately HK\$32.7 million. The unaudited net asset value as at 30th June, 2001 was approximately HK\$1,983 million and the unaudited profit for the six months ended 30th June, 2001 was approximately HK\$33.3 million.

Reasons for the acquisition and the disposal

Sinolink Electric Power directly holds a 70% shareholding interest in Fuhuae which is engaged in the business of developing, constructing, owning and operating electric power generation facilities. The remaining 30% shareholding interest in Fuhuae is held by Shenzhen Sinolink Enterprise Co., Ltd., a 80% owned subsidiary of Sinolink. As disclosed in the circular dated 26th October, 2001 issued by the company, in view of the rapidly growing demand for electricity in Shenzhen, Sinolink considers that the building and operating of a combined cycle power plant in Shenzhen will improve the profitability of the company. Therefore, the Sinolink group intends to expand its electricity generation business by enlarging its output capacity expansion in order to enhance its competitiveness in electricity generation business. As a result, the directors of Sinolink believe that the electricity generation business will benefit from being held by a listed company as its status as part of a listed group with a focus on electric generation business will assist it in obtaining funding for the business and enhancing its standing in the PRC market.

Since the discussion in respect of the disposal of Fuhuae is at a very preliminary stage and nothing has been finalised so far, Sinolink has not yet considered nominating any director to the board of SilverNet.

Intended use of proceeds from the disposal

The board intends to use the gross proceeds from the disposal as general working capital for Sinolink.

GENERAL

It should be noted that the formal acquisition agreement and the formal disposal agreement may not be entered into by Sinolink with Silver Grant or SilverNet and the proposed transactions may or may not proceed. Accordingly, shareholders and investors generally are advised to exercise caution in dealing in the shares of Sinolink. A further announcement complying with the Rules Governing the Listing of securities on the Hong Kong Stock Exchange will be made in due course.

With reference to the articles, the board wishes to announce that at present Sinolink has no definitive plan or decision to dispose of any business other than Fuhuae to SilverNet. In addition, the board has been informed by Mr. Ou that Asia Pacific Promotion Limited, which is legally and beneficially owned by Mr. Ou, is in discussions with an independent third party who is not connected with Sinolink, its directors, chief executive or any substantial shareholders of Sinolink or its subsidiaries or any of their respective associates regarding the possible introduction of a strategic shareholder to Sinolink. These discussions are at a very preliminary stage and may or may not lead to any agreement. A further announcement will be made if appropriate.

Save as disclosed above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, nor is the board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Trading in the securities of Sinolink on the Hong Kong Stock Exchange was suspended at the request of Sinolink with effect from 2:40 p.m. on 7th February, 2002 pending release of this announcement. Application has been made by the company for the resumption of trading in the securities of the company with effect from 10:00 a.m. on 20th February, 2002.

By order of the board of
SINOLINK WORLDWIDE HOLDINGS LIMITED
Ou Yaping
Chairman

19th February, 2002, Hong Kong

**For identification purpose only*
Website: <http://www.irasia.com/listco/hk/Sinolink>

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.