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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 TRANSACTIONS

**SUBSCRIPTION OF REDEEMABLE PREFERENCE SHARES IN
ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED
AND
POSSIBLE MAJOR DISPOSAL IN RELATION TO
THE GRANT OF THE CALL OPTION**

A letter from the Board is set out on pages 5 to 19 of this circular.

This circular is despatched to the Shareholders for information purpose only, and written Shareholders' approval has been obtained in lieu of holding a general meeting of the Company pursuant to the Listing Rules.

* *For identification purpose only*

August 9, 2021

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DEFINITIONS

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

“%”	per cent;
“Affiliate”	with respect to any person, any person directly or indirectly controlling, controlled by or under common control with such person;
“Announcements”	the announcements of the Company dated December 8, 2017, March 28, 2018, July 18, 2019 and April 29, 2021 regarding the formation of JV Co by the Company and ZhongAn Technology and the additional capital contribution into the JV Co;
“Asset Sale”	a sale by JV Co of all or substantially all (being at least 75% in value) of the JV Co’s business, assets and undertakings to a single buyer or to one or more buyers as part of a single transaction or series of connected transactions, excluding any Reorganisation;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors of the Company;
“Business Day(s)”	a day (other than a Saturday or Sunday) officially identified by government or authorities as a working day in Hong Kong;
“Call Option”	the call option granted by the Company under the Subscription Agreement pursuant to which ZhongAn Technology and its Affiliates is entitled to require the Company to sell to ZhongAn Technology up to all of the Redeemable Preference Shares issued to the Company pursuant to the Subscription Agreement;
“Circular”	the circular of the Company dated August 16, 2019 regarding the additional capital contribution into the JV Co;
“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, which took place on May 3, 2021 in accordance with the terms and conditions of the Subscription Agreement;
“Director(s)”	the director(s) of the Company;

DEFINITIONS

“Exit”	Sale, Asset Sale or Quotation;
“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;
“JV Co”	ZhongAn Technologies International Group Limited, a Hong Kong limited liability company jointly invested by the Company and ZhongAn Technology pursuant to a joint venture agreement (as referred to in the Announcements and the Circular);
“JV Co Ordinary Shares”	the voting ordinary shares in the share capital of JV Co;
“Latest Practicable Date”	August 5, 2021, 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;
“Long Stop Date”	the date that is twelve (12) months after the date of the 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;
“Quotation”	the admission and commencement of trading of the whole of any class of the issued share capital of JV Co to any recognized investment exchange, recognized overseas investment exchange, designated investment exchange or designated overseas investment exchange;
“Redeemable Preference Share(s)”	the redeemable preference share(s) in the share capital of JV Co that may be issued according to the terms and conditions of the Subscription Agreement and the articles of association of JV Co (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;

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“Reorganisation”	a permitted transfer of all of the voting ordinary shares in the share capital of JV Co (and all other voting shares of ZhongAn Technology (if applicable)) to another incorporated company controlled by ZhongAn Technology (and on the basis of ZhongAn Technology and the Company collectively holding (directly or indirectly) not less than 51% of the voting share capital of such company) for internal group reorganisation or taxation purposes only, and on the basis that to the extent this company ceases to be controlled (or collectively controlled) by ZhongAn Technology and/or the Company in this way it will no longer be deemed to be a Reorganisation for the purposes of this definition);
“Rights Issue”	the issue of rights Shares on the basis of four rights Shares for every five existing Shares at HK\$0.28 per Rights share on a non-underwritten basis, which has been completed on 15 April 2021;
“Rights Issue Circulars”	the circulars of the Company dated February 11, 2021 and March 19, 2021 regarding (among other things) the Rights Issue;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale”	sale of more than 50% in number of the ordinary shares in the issued share capital of JV Co to a single buyer or to one or more buyers as part of a single transaction or a series of connected transactions, excluding any Reorganisation;
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	shareholder(s) of the Company;
“Sinolink Contribution”	the capital contribution to JV Co to be made by the Company pursuant to terms of the Subscription Agreement, being the subscription price of RMB500,000,000 in respect of the 500,000,000 new JV Co Redeemable Preference Shares;
“Sinolink Subscription”	the subscription by the Company of an aggregate of 500,000,000 new JV Co Redeemable Preference Shares for a total subscription price of RMB500,000,000 pursuant to the terms and conditions of the Subscription Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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“Subscription Agreement”	the subscription agreement entered into among the Company, ZhongAn Technology and JV Co in relation to the Sinolink Subscription dated April 29, 2021;
“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); 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*

LETTER FROM THE BOARD



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 9, 2021

To Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

SUBSCRIPTION OF REDEEMABLE PREFERENCE SHARES IN ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED AND POSSIBLE MAJOR DISPOSAL IN RELATION TO THE GRANT OF THE CALL OPTION

INTRODUCTION

References are made to the Announcements and the Circular regarding the formation of JV Co by the Company and ZhongAn Technology to explore international business development, collaboration and investment opportunities in the areas of financial technology (“**Fintech**”) and Insuretech in overseas markets and the additional capital contribution into the JV Co.

LETTER FROM THE BOARD

On April 29, 2021, the Company entered into the Subscription Agreement with ZhongAn Technology and JV Co, pursuant to which the Company conditionally agreed to subscribe for, and the JV Co conditionally agreed to allot and issue, an aggregate of 500,000,000 new JV Co Redeemable Preference Shares for a total subscription price of RMB500,000,000 payable in cash.

The Company has granted to ZhongAn Technology and its Affiliates the Call Option, subject to any Redeemable Preference Shares remaining in issue and being held by the Company, to require the Company to sell to ZhongAn Technology up to all the Redeemable Preference Shares issued to the Company pursuant to the Subscription Agreement. The exercise price of the Call Option shall be equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares subject to the Call Option; plus (b) such amount equivalent to a yield of a simple interest of **5.5%** per annum on the Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

The purpose of this circular is to provide you with, among others, (i) further details of the Subscription Agreement, including but not limited to the grant of the Call Option and Sinolink Subscription; (ii) the financial information of the Group; and (iii) the financial information of JV Co.

MATERIAL TERMS OF THE SUBSCRIPTION AGREEMENT

The material terms of the Subscription Agreement are as follows:

Date

April 29, 2021

Parties

- 1) The Company;
- 2) ZhongAn Technology; and
- 3) JV Co.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, ZhongAn Technology and its ultimate beneficial owner(s) are independent third parties as defined in the Listing Rules.

Subject Matter

Pursuant to the Subscription Agreement, the Company conditionally agreed to subscribe for, and JV Co conditionally agreed to allot and issue, an aggregate of 500,000,000 new JV Co Redeemable Preference Shares for a total subscription price of RMB500,000,000 payable in cash.

LETTER FROM THE BOARD

The Company has granted to ZhongAn Technology and its Affiliates the Call Option, subject to any Redeemable Preference Shares remaining in issue and being held by the Company, to require the Company to sell to ZhongAn Technology up to all the Redeemable Preference Shares issued to the Company pursuant to the Subscription Agreement. The exercise price of the Call Option shall be equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares subject to the Call Option; plus (b) such amount equivalent to a yield of a simple interest of **5.5%** per annum on the Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

The subscription price and the exercise price of the Call Option are determined after arm's length negotiations among the Company, ZhongAn Technology and JV Co with reference to (1) the current net asset value of JV Co, (2) the financial needs of JV Co for the operation and expansion of its business, and (3) the growth prospects of JV Co. The subscription price payable by the Company to JV Co will be funded by the proceeds from the Rights Issue.

Completion

Completion is conditional upon the fulfillment (or waiver in accordance with the 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 JV Co, 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 Subscription Agreement (including the obtaining of the Shareholders' approval in respect of the Sinolink Subscription);
- 2) there being, from the date of the Subscription Agreement until the date of Completion, no fact, matter, event, circumstances, condition or change which materially and adversely affects, or could reasonably be expected to materially and adversely affect, the business, operations, assets, liabilities, prospects or results of operation of JV Co and its subsidiaries (if any) as a whole;
- 3) 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 Subscription Agreement; and
- 4) the receipt of prior written consent of all of the holder(s) of Redeemable Preference Shares of JV Co.

LETTER FROM THE BOARD

The Board is pleased to announce that the aforementioned conditions have been satisfied and the transactions contemplated under the Subscription Agreement have completed on May 3, 2021. Upon Completion, the voting interests held by ZhongAn Technology and the Company in JV Co shall remain 51% and 49%, respectively.

Terms of the Redeemable Preference Shares

Pursuant to the Subscription Agreement, the Company conditionally agreed to make a capital contribution of RMB500,000,000 to JV Co in consideration for 500,000,000 Redeemable Preference Shares. The key terms of the Redeemable Preference Shares are summarized below:

Redemption

- (a) Subject to the requirements under the Listing Rules and relevant laws applicable to JV Co, ZAOIL, the Company and their respective Affiliates, JV Co shall have the right to, within five (5) years from the date of issuance of the Redeemable Preference Shares (which term shall be renewed automatically every five (5) years, subject to the veto by any of ZhongAn Technology or the Company), require the redemption from any holder of the Redeemable Preference Shares, all or any portion of its Redeemable Preference Shares, at the price equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares being redeemed; plus (b) such amount equivalent to a yield of a simple interest of **5.5%** per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis; and
- (b) upon the occurrence of an Exit, the Company may, by the delivering a redemption request notice to JV Co to require JV Co to redeem up to all of Redeemable Preferences Shares held by the Company (unless otherwise agreed by the Company in writing to JV Co),

in each case above, JV Co shall within 10 Business Days after delivering of the redemption request notice redeem all of the Redeemable Preference Shares held by each holder(s) at the amount equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares being redeemed; and (b) together such amount equivalent to a yield of a simple interest of **5.5%** per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

Dividend Rights

Holder(s) of Redeemable Preference Shares shall not have the right to receive any dividend from the JV Co.

LETTER FROM THE BOARD

Liquidation Preference

In the event of (a) a return of capital, liquidation, dissolution or winding-up of JV Co (or other similar events), either voluntary or involuntary; or (b) a sale of all or substantially all of JV Co's assets (each a "**Liquidation Event**"), holder(s) of Redeemable Preference Shares shall rank in priority to any other class of shares in JV Co and shall be entitled to receive in cash, (a) the proportional amount of Sinolink Contribution attributable to the then issued and outstanding Redeemable Preference Shares; plus (b) such amount equivalent to a yield of a simple interest of **5.5%** per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis as at the date of the Liquidation Event (the "**Preference Amount**"). Following the distribution of the Preference Amount in full, any remaining assets of JV Co legally available for distribution shall be distributed pro rata among the holder(s) of the JV Co Ordinary Shares. If upon any Liquidation Event, the assets lawfully available for distribution among the holder(s) of the Redeemable Preference Shares shall be insufficient to permit the payment in full of the Preference Amount, the entire assets of JV Co shall be distributed ratably to the holder(s) of Redeemable Preference Shares in proportion to the Preference Amount that each such holder would otherwise be entitled to receive.

Call Option

In addition to JV Co's right aforesaid to redeem the Redeemable Preference Shares, the Company has granted to ZhongAn Technology and its Affiliates the Call Option, subject to any Redeemable Preference Shares remaining in issue and being held by the Company, to require the Company to sell to ZhongAn Technology up to all the Redeemable Preference Shares issued to the Company pursuant to the Subscription Agreement. The exercise price of the Call Option shall equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares subject to the Call Option; plus (b) such amount equivalent to a yield of a simple interest of **5.5%** per annum on the Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

The transactions contemplated under the Subscription Agreement, in particular the Redeemable Preference Shares and the Call Option, are designed and structured in a way so that JV Co and ZhongAn Technology have an alternative as to how to pay back the Sinolink Contribution to the Company within five years' time, namely, by way of JV Co redeeming the Redeemable Preference Shares or ZhongAn Technology exercising the Call Option. The exercise price of the Call Option payable by ZhongAn and the price payable by JV Co upon redemption of the Redeemable Preference Shares are the same, being the Sinolink Contribution plus **5.5%** per annum interest. As ZAOIL is the holding company of both ZhongAn Technology and JV Co, both the Redeemable Preference Shares and the Call Option are the same transaction with ZAOIL to decide the way to repay the Sinolink Contribution plus **5.5%** per annum interest.

Pursuant to the Subscription Agreement, each of the Company and ZhongAn Technology agreed to comply or procure its Affiliate to comply (as the case may be) with the applicable requirements under the Listing Rules in connection with the exercise of the Call Option, including to procure ZAOIL to convene an extraordinary general meeting to obtain any Shareholders' approval as may be required by the Listing Rules.

LETTER FROM THE BOARD

Preemptive Right

The holders of Redeemable Preference Shares are granted preemptive rights to subscribe for new Redeemable Preference Shares to be issued by JV Co.

Termination

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

- 1) by mutual written consent of all the parties; or
- 2) by any of the parties, (i) if in any respect the closing provisions of the Subscription Agreement are not fully complied with by any of the parties on the date of Completion; or (ii) if a material breach of the 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 OF JV CO

JV Co was established in Hong Kong with limited liability on September 22, 2017. Set out below is the audited financial information of JV Co as prepared in accordance with Hong Kong Financial Reporting Standards for the financial years ended December 31, 2019 and 2020:

	For the year ended December 31, 2019	For the year ended December 31, 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	(349,117)	(609,805)
Net loss after taxation	(352,187)	(609,878)

The audited net asset value of JV Co was HK\$2,615,113,000 as at December 31, 2020.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SINOLINK SUBSCRIPTION

The principal business activities of the Company are property development, property management, property investment, financial services and asset financing. Meanwhile, the Company has also been actively exploring opportunities to promote Fintech development via various means, including the establishment of JV Co with ZhongAn Technology. Investment in JV Co enables the Company to partner with ZhongAn Technology to explore international business development, collaboration and investment opportunities in the areas of Fintech and Insuretech. The Company's cost of bank borrowings as at 31 December 2020 was about 1.96% per annum, whereas subscription for redeemable preference shares of JV Co generates investment return at 5.5% per annum. Therefore, the Board considers investment in JV Co enables better utilisation of the Company's financial resources than repayment of outstanding debts.

JV Co, as a Fintech company, will take time to build and require substantial upfront investment in development of hardware and underlying technologies before it is capable of generating profit. Fintech industry is fast growing and it is believed that the industry may dramatically alter the financial services model in the coming decade. The Board considers that the investment by the Company in JV Co is a long-term investment and believes that the performance of JV Co will improve over the next few years. Given the considerable impact of Fintech and Hong Kong government's continuing support for the industry, the Board considers its investment in JV Co presents numerous opportunities which are beneficial to the Company.

With reference to the letter from JV Co to its shareholders dated December 21, 2020 (the "Letter"), JV Co required additional funds of HK\$500 million in March 2021 and HK\$1,000 million in September 2021. The Letter does not constitute any formal capital call. Formal capital call notice would be issued by JV Co to the Company should the need for additional funds arises. The Company received a formal capital call notice from JV Co on 23 April 2021 for RMB500 million, which has been injected into JV Co via the Sinolink Subscription. The Company has not received any further capital call notice from JV Co as at the Latest Practicable Date. The Company has injected capital of approximately RMB1,020.8 million into the JV Co (excluding the injection amount of the Sinolink Subscription) as at the Latest Practicable Date.

The Sinolink Subscription will provide additional working capital and greater financial flexibility to JV Co 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. In view of the expansion plan of the Company's Fintech business, namely the Fintech business carried on through ZA Bank (an indirect wholly-owned subsidiary of JV Co), 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 JV Co.

The Sinolink Subscription is to satisfy regulatory capital requirement of ZA Bank as a licensed bank in Hong Kong by May 30, 2021. The Company understands from ZhongAn Technology that it requires various PRC approvals to transmit funds from the PRC to Hong Kong for satisfaction of such requirement, which after inquiries with various relevant departments, will take certain amount of time to obtain and it may not be able to meet the aforementioned deadline. Delaying the compliance of

LETTER FROM THE BOARD

banking regulation by ZA Bank would risk its banking business, operations and future developments, which is against the interests of the Company and the Shareholders as a whole. As such, the Company, being a 49% indirect shareholder of ZA Bank, provided additional funds to JV Co by way of Sinolink Subscription first. ZhongAn Technology is granted the Call Option allowing it to pay for the Redeemable Preference Shares as and when it can. There is no law or regulations in the PRC stating as to when approval is to be granted. However, it is roughly estimated that approval may be granted by relevant PRC authorities around the first half of 2022.

Therefore, despite that the subscription of redeemable preference shares of JV Co is not conducted in the way as described in the Rights Issue Circulars (which is in accordance with their shareholding percentage in JV Co, i.e. 51% by ZhongAn Technology and 49% by the Company), the Directors are of the view that the Subscription Agreement, including but not limited to the grant of the Call Option, has been entered into on normal commercial terms, and the terms of the 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 (“**Mr. Ou**”), 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 Subscription Agreement and matters contemplated therein as a matter of good corporate governance only.

For the avoidance of doubt, none of the Directors has any material interest in the 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 (stock code: 1168). Its principal business activities are property development, property management, property investment, financial services and asset financing, while the Company also focuses on Fintech investment and management.

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.

JV Co is a company incorporated in Hong Kong with limited liability and is a subsidiary of ZAOIL. JV Co is established to explore international business development, collaboration and investment opportunities in the area of Fintech and Insurtech, including virtual bank and digital-only insurer in Hong Kong. As at the date of the Latest Practicable Date, ZhongAn Technology and the Company are interested in 51% and 49% of the voting interest in JV Co, respectively.

LETTER FROM THE BOARD

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

Name of subsidiary	Place of incorporation	Date of incorporation	Percentage interest of JV Co	Principal activities
Asia Fintech Center Pte. Ltd.	Singapore	November 27, 2020	49%	Innovation Lab
Bloom Rewards Limited	Hong Kong	June 18, 2020	100%	Rewards Programme
PT ZATech Global Indonesia	Indonesia	April 1, 2021	49%	Technology Development/ Technology Consulting
ZA Bank Limited (眾安銀行有限公司) ("ZA Bank")	Hong Kong	August 8, 2018	100%	Virtual Bank
ZA Care Limited (眾安關懷有限公司)	Hong Kong	May 23, 2019	100%	Technology
ZA International Financial Services Limited 眾安國際金融服務有限公司	Hong Kong	December 4, 2019	100%	Technology Development/ Technology Consulting
ZA International Insurance Broker Limited 眾安國際保險經紀有限公司 (formerly known as AA Finance (Hong Kong) Limited)	Hong Kong	May 15, 2018	100%	Insurance Brokerage
ZA Life Limited (眾安人壽有限公司) ("ZA Insure")	Hong Kong	February 27, 2019	65%	Life Insurance
ZA Tech Global (Cayman) Limited	Cayman Islands	June 14, 2018	49%	Technology Development/ Technology Consulting
ZA Tech Global (Ireland) Limited	Ireland	March 2, 2020	49%	Technology Development/ Technology Consulting

LETTER FROM THE BOARD

Name of subsidiary	Place of incorporation	Date of incorporation	Percentage interest of JV Co	Principal activities
ZA Tech Global (Singapore) Pte. Ltd.	Singapore	April 16, 2019	49%	Technology Development/ Technology Consulting
ZA Tech Global Limited (“ZA Tech”)	Hong Kong	May 28, 2018	49%	Technology Development/ Technology Consulting
ZA Tech Japan Inc.	Japan	July 3, 2018	49%	Technology Development/ Technology Consulting
ZAKC Limited 跨域在線有限公司 (formerly know as ZA Investment Management Limited 眾安國際投資管理有限公司)	Hong Kong	October 22, 2019	51%	Technology Development
ZhongAn (Shenzhen) Technology Consulting Co., Limited* 眾安(深圳)科技諮詢服務有限公司	PRC	December 7, 2020	100%	Technology Development / Technology Consulting
ZhongAn Digital Asset Group Limited 眾安數字資產集團有限公司	British Virgin Islands	September 2, 2019	100%	Digital Asset
ZhongAn Financial Services Limited (眾安金融服務有限公司)	Hong Kong	August 3, 2018	100%	Investment holding

Mr. Ou Yaping is a director of ZhongAn Financial Services Limited (眾安金融服務有限公司), ZA Bank and ZA Insure.

* For identification purpose only

LETTER FROM THE BOARD

JV Co provides technology developments, technology consulting and banking services to its customers and direct underwriting of long-term insurance business. ZA Bank, ZA Insure and ZA Tech are the three major operating subsidiaries. In 2020, the main revenue stream of JV Co composed of revenue from banking operations amounted to approximately HK\$84 million, insurance amounted to approximately HK\$23 million and technology developments and consulting amounted to approximately HK\$211 million.

ZA Bank

On March 24, 2020, ZA Bank officially launched its services to the public as the first fully-operating virtual bank in Hong Kong. On March 22, 2021, ZA Bank officially launched business banking to deliver innovative banking experiences to local small and medium-sized enterprises.

Based on the market data, Hong Kong's virtual banks attracted 420,000 users as of 31 December 2020, with HK\$15 billion of deposits and HK\$1 billion of loans. ZA Bank secured a leading position in the industry in terms of number of users (220,000), personal deposits (approximately HK\$6 billion) and loan amounts (approximately HK\$650 million), thereby becoming Hong Kong's No.1 virtual bank.

ZA Insure

On May 4, 2020, ZA Insure, a joint venture between JV Co and Fubon Life Insurance (Hong Kong) Company Limited, was granted a digital-only insurer license by the Hong Kong Insurance Authority under its Fast Track pilot scheme, operating under the trade name "ZA Insure". It aims to serve the needs of different people with innovative insurance services and products, offering protection to a wider population.

On May 18, 2020, ZA Insure launched flagship life and critical illness products delivering personalized protection that everyone can afford. In August 2020, ZA Insure launched "ZA Accident Protection" to offer comprehensive protection via optional Enhanced Benefits.

ZA Tech

Since its incorporation in May 2018 in Hong Kong, ZA Tech aims to redefine the insurance value chain and the internet ecosystem through technology and fulfil the diversified demands of the customers by offering them comprehensive and innovative digitised solutions.

ZA Tech leverages technology to reduce costs and drive efficiency, enhances automation and intelligent business processes to improve financial inclusion and customer experience. In addition to its Singapore Asia Fintech Centre, it has offices located in Tokyo, Hong Kong, Shanghai, Shenzhen, Dalian, Singapore and Dublin.

LETTER FROM THE BOARD

In December 2020, ZA Tech formed a joint venture with BCP (PT Bumi Cakrawala Perkasa), the holding company of Indonesia's leading e-wallet OVO (PT Visionet Internasional), to offer Indonesian insurance companies easy and secured access to ZA Tech's proprietary insurtech capabilities and applications.

ZA Tech announced its plan to form a regional technology partnership with AIA Group Limited ("AIA"), the largest independent publicly listed Pan-Asian life insurance company in December 2020, enabling digital endeavours in AIA to reach new customers and fill protection gaps through innovative insurance products and partners.

JV Co will continue to strengthen its core business and maintain a high revenue growth rate similar to 2020 at 142%. It is expected to generate profit in the near future.

FINANCIAL EFFECTS OF THE SINOLINK SUBSCRIPTION

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

For the avoidance of doubt, the Redeemable Preference Shares will be accounted for as "other financial assets at fair value through profit or loss" as the Group, being the holder of the Redeemable Preference Shares, has liquidation preference but is not entitled to any voting right or dividend right. JV Co has the right to redeem from the Group all or any portion of Redeemable Preference Shares within 5 years from the date of the issuance of Redeemable Preference Shares at a price equal to (a) the principal amount of the Redeemable Preference Shares being redeemed; plus (b) simple interest of 5.5% per annum on the amount redeemed calculated from the date of the relevant contribution by the Group on pro-rata basis. As the rights and obligations attached to the Redeemable Preference Shares are different from that attached to the ordinary shares of JV Co, the Group's investment in Redeemable Preference Shares is accounted for in accordance with HKFRS 9 and measured at fair value through profit or loss.

It is the intention of the Group to finance the Sinolink Subscription by the proceeds from the Rights Issue. As a result, it is expected that the "other financial assets at fair value through profit or loss" 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 the proceeds from the Rights Issue, the Directors expect that the Sinolink Subscription will not have material cost of funding.

Since the Sinolink Subscription will be recorded by financial asset at fair value through profit or loss, the profit or loss to be recorded by the Group is subject to the fair value measurement on Redeemable Preference Shares at each reporting period end.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Sinolink Subscription exceed 25% but are less than 100%, the entering into the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the grant of the Call Option 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. As the Sinolink Subscription is in effect a financing arrangement, not an acquisition of interests in the JV Co, the Company is not subject to the requirement under Rule 14.67(6)(a) of the Listing Rules to include an accountant's report of JV Co and the pro forma financial information of the Group upon completion of the Sinolink Subscription into this circular.

The Call Option is not exercised at the discretion of the Company, therefore, the Call Option is classified as a major transaction for the Company pursuant to Rule 14.74 of the Listing Rules and is therefore subject to notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Sinolink Subscription or the Subscription Agreement, including but not limited to the grant of the Call Option. As such, none of the Shareholders would be required to abstain from voting if a general meeting were to be convened by the Company to approve the Subscription Agreement, including but not limited to the grant of the Call Option and the Sinolink Subscription, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

The Company has obtained an irrevocable and unconditional written approval for the Subscription Agreement, including but not limited to the grant of the Call Option and the Sinolink Subscription from a closely allied group of Shareholders comprising Asia Pacific Promotion Limited (3,152,309,301 Shares, representing approximately 49.46% of the issued share capital of the Company), Mr. Ou Yaping and Mrs. Ou (13,113,738 Shares, representing approximately 0.21% of the issued share capital of the Company), Mr. Tang Yui Man Francis (21,375,000 Shares, representing approximately 0.34% of the issued share capital of the Company) and Mr. Chen Wei (13,500,000 Shares, representing approximately 0.21% of the issued share capital of the Company), representing in aggregate 50.22% of the issued share capital of the Company as at the Latest Practicable Date.

Asia Pacific Promotion Limited is wholly-owned by Mr. Ou Yaping, a non-executive Director. Mr. Tang Yui Man Francis is a non-executive Director. Mr. Chen Wei is an executive Director.

LETTER FROM THE BOARD

The Company is of the view that Mr. Ou did not exert any influence on the terms of the Sinolink Subscription and Mr. Ou, in his capacity as a Shareholder, has no material interests in the Sinolink Subscription and the transactions contemplated thereunder based on the following reasons:

- (i) Mr. Ou is the chairman and an executive director of ZAOIL and the director of the subsidiaries of the JV Co, namely ZA Insure, ZA Bank and ZhongAn Financial Services Limited but receive no remuneration from any of the aforementioned companies for holding such positions;
- (ii) Mr. Ou was not involved in the negotiation of the Sinolink Subscription;
- (iii) Mr. Ou did not attend the Board meetings approving the Sinolink Subscription and has abstained from the board meeting of ZAOIL approving the Sinolink Subscription;
- (iv) the terms of the Sinolink Subscription are fair and reasonable, which were determined with reference to previous terms of subscription of redeemable preference shares of JV Co by the Company and the interest rate was determined by reference to interest rate generally adopted by bank borrowings in Hong Kong;
- (v) the Sinolink Subscription is to satisfy the regulatory requirement under the Banking Ordinance applicable to ZA Bank; in this regard, the interest of Mr. Ou, as the controlling Shareholder, aligns with that of all the other Shareholders;
- (vi) save and except that (a) Mr. Ou Yafei, the brother of Mr. Ou, is deemed by Part XV of the Securities and Futures Ordinance to be interested in 9.53% in ZAOIL; (b) Mr. Ou is deemed to be interested in 5.51% in ZAOIL via interests held by Cnhooray Internet Technology Co Limited (a subsidiary of the Company), none of Mr. Ou or his associates has any equity interest in any member of ZAOIL and its subsidiaries; and
- (vii) other than holding the aforementioned positions at ZAOIL and the operating subsidiaries of the JV Co, of which Mr. Ou is not receiving any remuneration for and the deemed shareholding interest of Mr. Ou and his brother in ZAOIL, he is in the same position as the other Shareholders in the Sinolink Subscription.

In view of the above, the Company is of the view that Mr. Ou, in the capacity as a Shareholder, has no material interests in the Sinolink Subscription and the transactions contemplated thereunder and hence, Mr. Ou and his associates are not required to abstain from voting for the resolutions if the Company were to convene a general meeting to approve the Sinolink Subscription.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Subscription Agreement, including but not limited to the grant of the Call Option and the Sinolink Subscription under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Subscription Agreement, including but not limited to the grant of the Call Option 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, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the Subscription Agreement and Sinolink Subscription and the transactions contemplated thereunder at such general meeting.

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 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, 2018, 2019 and 2020 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, 2020 is disclosed in the 2020 annual report of the Company published on April 27, 2021, from pages 49 to 158. Please see below the link to the 2020 annual report of the Company: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700645.pdf>
- the audited consolidated financial statements of the Group for the year ended December 31, 2019 is disclosed in the 2019 annual report of the Company published on April 27, 2020, from pages 53 to 178. Please see below the link to the 2019 annual report of the Company: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042702002.pdf>
- 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/lt20190425529.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on June 30, 2021, 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\$754.0 million, comprising secured and unguaranteed bank borrowings of approximately HK\$685.0 million and secured and unguaranteed other borrowings of approximately HK\$69.0 million. The bank borrowings are secured by bank deposits and structured deposits of the Group.

As at the close of business on June 30, 2021, the Group had guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties amounting to approximately HK\$9.0 million.

As at the close of business on June 30, 2021, the Group had secured and unguaranteed outstanding lease obligations in respect of office premises with undiscounted principal amount of approximately HK\$8.5 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, indebtedness 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, 2021.

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, 2020 (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 2021, the PRC economy is expected to grow at a notably faster rate of 9%, with a possible tapering of growth towards the end of year. The impact of the COVID-19 pandemic on economy is like digging a pit which will be gradually filled up in 2021. That is to say, both the supply and demand will recover notably, while the economic growth will also become much faster. Due to the low-base in 2020, the PRC will see a tapering of economic growth from quarter to quarter in 2021. The economic growth is expected to reach as high as a double-digit in the first quarter, which will gradually fall back starting from the second quarter and return to a normal level in the further quarter. The full-year growth is expected to be around 9%, making the two-year average growth of 2020 and 2021 at about 5.6%. In addition, the PRC will see a continuous improvement in its overall economic structure, with consumption's contribution to economic growth expected to reach over 60% and investment's contribution to economic growth expected to decrease. In light of this macroeconomic trend, the Group will continue to pay close attention to economic changes and make corresponding adjustments in its development and operation strategy.

Of all the industries, we consider that the Fintech industry has the greatest development potential. Fintech has experienced rapid development over the past several years, and this technology is continuously being applied to various financial service scenarios, which not only increases the efficiency of the financial service industry, but also provides the general public with more products and service options. In particular, amidst the outbreak of the COVID-19 pandemic at the beginning of 2020 technology helped to change and improve our lifestyle by providing faster and more convenient services and experiences. We witnessed rapid improvement in the potential and room for development in technology, which in turn offers more opportunities and greater value.

In terms of business development, while striving to balance the profitability and growth of the existing business, we also spare no effort in exploring new development opportunities. The Group will continue to ride on the development momentum of the Fintech industry in the future, and hope that proper resource allocation and effective management can provide a business development for the Group's stable growth and bring long-term values for Shareholders.

JV Co

Through provision of additional funds to JV Co, it will continue to establish and improve its target-oriented team management system and cultivate key talents. In addition, JV Co 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 JV Co 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 JV Co currently intends to use the additional funds to be raised by JV Co (in the amount of RMB500 million, approximately HK\$600 million) through the Sinolink Subscription, as follows:

- approximately 16%, or HK\$100 million, on the working capital of JV Co and on general operating costs including staff costs, software and IT equipment expenses and rental and building management fees; and
- approximately 84%, or HK\$500 million, on the working capital of JV Co for further capital injection to its virtual bank business.

The Company believes, based on JV Co'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.

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			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
		Personal Interest	Corporate Interest	Family Interest				
Chen Wei	Beneficial owner	13,500,000	—	—	13,500,000	3,468,000	16,968,000	0.266%
Ou Yaping	Joint interest and interest of controlled corporation	—	3,152,309,301 (Note)	13,113,738	3,165,423,039	—	3,165,423,039	49.661%
Tang Yui Man Francis	Beneficial owner	21,375,000	—	—	21,375,000	40,460,000	61,835,000	0.970%
Tian Jin	Beneficial owner	—	—	—	—	2,312,000	2,312,000	0.036%
Xiang Bing	Beneficial owner	—	—	—	—	2,312,000	2,312,000	0.036%
Xiang Ya Bo	Beneficial owner	—	—	—	—	40,460,000	40,460,000	0.635%
Xin Luo Lin	Beneficial owner	—	—	—	—	2,312,000	2,312,000	0.036%

Note: These 3,152,309,301 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 HK\$	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
Chen Wei	15.05.2015	15.11.2015-14.05.2025	1.185	1,734,000	0.027%
		15.05.2016-14.05.2025	1.185	1,734,000	0.027%
Tang Yui Man Francis	15.05.2015	15.11.2015-14.05.2025	1.185	20,230,000	0.317%
		15.05.2016-14.05.2025	1.185	20,230,000	0.317%
Tian Jin	15.05.2015	15.11.2015-14.05.2025	1.185	1,156,000	0.018%
		15.05.2016-14.05.2025	1.185	1,156,000	0.018%
Xiang Bing	15.05.2015	15.11.2015-14.05.2025	1.185	1,156,000	0.018%
		15.05.2016-14.05.2025	1.185	1,156,000	0.018%
Xiang Ya Bo	15.05.2015	15.11.2015-14.05.2025	1.185	20,230,000	0.317%
		15.05.2016-14.05.2025	1.185	20,230,000	0.317%
Xin Luo Lin	15.05.2015	15.11.2015-14.05.2025	1.185	1,156,000	0.018%
		15.05.2016-14.05.2025	1.185	1,156,000	0.018%

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 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	3,152,309,301	—	3,152,309,301	49.456%
Fidelity China Special Situations Plc (Note 2)	Beneficial owner	182,294,000	—	182,294,000	5.15%
FIL Limited (Notes 2, 3)	Interest in controlled corporation	182,844,000	—	182,844,000	5.16%
Pandanus Partners L.P. (Note 3)	Interest in controlled corporation	182,844,000	—	182,844,000	5.16%
Pandanus Associates Inc. (Note 3)	Interest in controlled corporations	182,844,000	—	182,844,000	5.16%

Notes:

- (1) The 3,152,309,301 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) The beneficial ownership of the 182,294,000 Shares held by Fidelity China Special Situations Plc arises in the context of passive investment activities only by the various investment accounts managed by FIL Limited on a discretionary basis.
- (3) Pandanus Partners L.P., a wholly-owned subsidiary of Pandanus Associates Inc., is deemed to be interested in 182,844,000 Shares through its direct interest in FIL Limited.

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' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, save as Mr. Ou being a director of Asia Pacific, none of the Directors is a director or employee in a company which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

7. 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, 2020 (being the date to which the latest published audited accounts of the Group were made up).

8. 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 limited partnership agreement dated December 20, 2019 entered into among the Company, five other partners and 寧波梅山保稅港區寬源投資管理有限公司 (Ningbo Meishan Bonded Port Kuanyuan Investment Management Co., Ltd.*) in respect of, among other matters, the establishment of an investment fund 南京寬平晟諾醫藥投資合夥企業 (有限合夥) (Nanjing Kuan Ping Cheng Nuo Yiyao Investment Limited Partner*) for a total capital commitment of RMB 708,000,000 (equivalent to approximately HK\$789,000,000); and
- (b) the Subscription Agreement.

9. 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.

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 Shops 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 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, 2018, 2019 and 2020, respectively;
- (c) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix to this circular; and
- (d) this circular.