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CHINLINK INTERNATIONAL HOLDINGS LIMITED

普匯中金國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0997)

DISCLOSEABLE TRANSACTION

THE NEW AGREEMENTS

On 28 June 2020, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the New Guarantee Agreement and New Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB11.0 million (equivalent to approximately of HK\$12.05 million) for a period of twelve months and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months to the Customer. Prior to entering into the New Agreements, within twelve months before 28 June 2020, the Group had entered into the Previous Transactions with the Customer.

LISTING RULES IMPLICATIONS

The entering into of the New Agreements on their own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Previous Transactions with the New Agreements, certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the New Agreements constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

** For identification purpose only*

On 28 June 2020, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the New Guarantee Agreement and New Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB11.0 million (equivalent to approximately of HK\$12.05 million) for a period of twelve months and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months to the Customer.

Prior to entering into the New Agreements, within twelve months before 28 June 2020, the Group had entered into the Previous Transactions with the Customer. Details of the Previous Transactions are set out in the paragraph headed “Previous Transactions” below.

Details of the New Guarantee Agreement and the New Consultancy Services Agreement are set out below.

The New Guarantee Agreement

Date

28 June 2020

Parties

(i) Chinlink Guarantee; and

(ii) the Customer.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the Customer and its ultimate beneficial owners, i.e. 馮梟 (Feng Xiao#), is third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged construction of computer network engineering project in the PRC.

Subject matter

Pursuant to the New Guarantee Agreement, Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB11.0 million (equivalent to approximately of HK\$12.05 million).

Terms of the guarantee

The guarantee services shall commence from 28 June 2020 and end on 27 June 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB110,000 (equivalent to approximately HK\$120,450) which is payable by twelve equal instalments of RMB9,166.67 each (equivalent to approximately HK\$10,038).

Counter-guarantee

The obligation of the Customer under the New Guarantee Agreement is secured by (i) a personal guarantee granted by the legal representative of the Customer, who is also the sole shareholder of the Customer; and (ii) a corporate guarantee granted by an independent third party, in favour of Chinlink Guarantee.

The New Consultancy Services Agreement

Date

28 June 2020

Parties

- (i) Chinlink Guarantee; and
- (ii) the Customer.

Subject matter

Pursuant to the New Consultancy Services Agreement, Chinlink Guarantee agreed to provide management consultancy services in respect of logistics system appraisal to the Customer.

Terms of the consultancy services

The consultancy services shall commence from 28 June 2020 and end on 27 June 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB660,000 (equivalent to approximately HK\$722,700) which is payable by twelve equal instalments of RMB55,000 each (equivalent to approximately HK\$60,225).

PREVIOUS TRANSACTIONS

During the twelve months period immediately prior to entering into the New Agreements, the Group had entered into the Previous Transactions with the Customer which consist of:

- (i) the Old Guarantee Agreement I pursuant to which the Group provided guarantee in favour of the Customer on certain bank loan between the Customer and a bank in the PRC;
- (ii) the Old Guarantee Agreement II pursuant to which the Group provided guarantee in favour of the Customer on certain bank loan between the Customer and a bank in the PRC;

- (iii) the Old Guarantee Agreement III pursuant to which the Group provided guarantee in favour of the Customer on certain bank loan between the Customer and a bank in the PRC;
- (iv) the Old Guarantee Agreement IV pursuant to which the Group provided guarantee in favour of the Customer on certain bank loan between the Customer and a bank in the PRC;
- (v) the Old Guarantee Agreement V pursuant to which the Group provided guarantee in favour of the Customer on certain bank loan between the Customer and a bank in the PRC;
- (vi) the Old Consultancy Services Agreement I pursuant to which the Group provided management consultancy services to the Customer;
- (vii) the Old Consultancy Services Agreement II pursuant to which the Group provided management consultancy services to the Customer;
- (viii) the Old Consultancy Services Agreement III pursuant to which the Group provided management consultancy services to the Customer;
- (ix) the Old Consultancy Services Agreement IV pursuant to which the Group provided management consultancy services to the Customer; and
- (x) the Old Consultancy Services Agreement V pursuant to which the Group provided management consultancy services to the Customer.

REASONS FOR THE NEW AGREEMENTS

The Company is an investment holding company. The Group is principally engaged in property investment, trading (including mainly electronic components and appliance), provision of financial guarantee services, financial advisory services and logistics services in the PRC.

Chinlink Guarantee is currently an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of financing guarantee services and provision of consultancy services in the PRC. The New Agreements are entered into in the ordinary and usual course of business of the Group. The terms of the New Agreements were negotiated among Chinlink Guarantee and the Customer on an arm's length basis with reference to prevailing market rates and terms for similar financial guarantee arrangements and the scope of services providing to the Customer.

Taking the above into account, the Board is of the view that the terms of the New Agreements are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder are in the interest of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the New Agreements on their own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Previous Transactions with the New Agreements, certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the New Agreements constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as set forth below:–

“Board”	the board of Directors
“Chinlink Guarantee”	陝西普匯中金融資擔保有限公司 (Shaanxi Chinlink Financial Guarantee Limited [#]), a company established as a wholly foreign-owned company in the PRC and an indirect non-wholly-owned subsidiary of the Company
“Company”	Chinlink International Holdings Limited, a company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange (Stock Code: 0997)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Customer”	陝西匯德信息科技有限責任公司 (Shaanxi Hui De Information Technology Company Limited [#])
“Director(s)”	the director(s) of the Company from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Agreements”	collectively, the New Guarantee Agreement and New Consultancy Services Agreement”
“New Consultancy Services Agreement”	the consultancy services agreement dated 28 June 2020 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period of twelve months at the consideration of RMB660,000 (equivalent to approximately of HK\$722,700)

“New Guarantee Agreement”	the guarantee agreement dated 28 June 2020 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB11.0 million (equivalent to approximately of HK\$12.05 million) for a term of twelve months for a guarantee fee of RMB 110,000 (equivalent to approximately HK\$120,450)
“Old Consultancy Services Agreement I”	the consultancy services agreement dated 20 December 2019 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period of 12 months at the consideration of RMB300,000 (equivalent to approximately of HK\$328,500)
“Old Consultancy Services Agreement II”	the consultancy services agreement dated 10 March 2020 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period of 12 months at the consideration of RMB420,000 (equivalent to approximately of HK\$459,900)
“Old Consultancy Services Agreement III”	the consultancy services agreement dated 27 March 2020 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period of 6 months at the consideration of RMB90,000 (equivalent to approximately of HK\$98,550)
“Old Consultancy Services Agreement IV”	the consultancy services agreement dated 10 April 2020 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period from 10 April 2020 to 30 June 2020 at the consideration of RMB135,000 (equivalent to approximately of HK\$147,825)
“Old Consultancy Services Agreement V”	the consultancy services agreement dated 8 May 2020 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal for a period from 8 May 2020 to 30 June 2020 at the consideration of RMB110,000 (equivalent to approximately of HK\$120,450)

- “Old Guarantee Agreement I” the guarantee agreement dated 20 December 2019 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB5.0 million (equivalent to approximately of HK\$5.48 million) for a term of 12 months for a guarantee fee of RMB 50,000 (equivalent to approximately HK\$54,750)
- “Old Guarantee Agreement II” the guarantee agreement dated 10 March 2020 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB7.0 million (equivalent to approximately of HK\$7.67 million) for a term of 12 months for a guarantee fee of RMB 70,000 (equivalent to approximately HK\$76,650)
- “Old Guarantee Agreement III” the guarantee agreement dated 27 March 2020 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB3.0 million (equivalent to approximately of HK\$3.29 million) for a term of 6 months for a guarantee fee of RMB 15,000 (equivalent to approximately HK\$16,425)
- “Old Guarantee Agreement IV” the guarantee agreement dated 10 April 2020 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB9.0 million (equivalent to approximately of HK\$9.86 million) for a period from 10 April 2020 to 30 June 2020 for a guarantee fee of RMB 22,500 (equivalent to approximately HK\$24,638)

“Old Guarantee Agreement V”	the guarantee agreement dated 8 May 2020 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under a bank loan agreement entered into by the Customer (as the borrower) and a bank (as the lender) in the PRC with principal amount of RMB11.0 million (equivalent to approximately of HK\$12.05 million) for a period from 8 May 2020 to 30 June 2020 for a guarantee fee of RMB18,333 (equivalent to approximately HK\$20,075)
“Previous Transactions	collectively, the transactions contemplated under the Old Consultancy Services Agreement I, the Old Consultancy Services Agreement II, the Old Consultancy Services Agreement III, the Old Consultancy Services Agreement IV, the Old Consultancy Services Agreement V, the Old Guarantee Agreement I, the Old Guarantee Agreement II, the Old Guarantee Agreement III, Old Guarantee Agreement IV and Old Guarantee Agreement V
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

The English translation of Chinese names marked with “#” in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names.

By order of the Board
Chinlink International Holdings Limited
Mr. Li Weibin
Chairman

Hong Kong, 28 June 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li Weibin, Mr. Siu Wai Yip, and Mr. Lau Chi Kit; a non-executive Director, namely Ms. Fung Sau Mui; and three independent non-executive Directors, namely Dr. Ho Chung Tai, Raymond, Ms. Lai Ka Fung, May and Ms. Chan Sim Ling, Irene.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.095. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at other rates or at all.