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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 FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT

On 14 August 2020, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Factoring Financing Amendment and Extension Agreement, pursuant to which Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with principal amount of up to RMB 17.0 million (equivalent to approximately of HK\$18.9 million) for a period of twelve months from 16 August 2020 to 15 August 2021.

LISTING RULES IMPLICATIONS

The entering into of the Factoring Financing Amendment and Extension Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, during the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer. When aggregating the Previous Transactions with the Factoring Financing Amendment and Extension Agreement, certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the Factoring Financing Amendment and Extension Agreement constitutes a discloseable 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 14 August 2020, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Factoring Financing Amendment and Extension Agreement, pursuant to which Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with principal amount of up to RMB 17.0 million (equivalent to approximately of HK\$18.9 million) for a period of twelve months from 16 August 2020 to 15 August 2021.

During the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, 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.

THE FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT

Detail of the terms of the Factoring Financing Amendment and Extension Agreement are as follows:

Date

14 August 2020

Parties

- (i) Chinlink Commercial Factoring as factoring provider; and
- (ii) the Customer as vendor.

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. 陳雲鵬 (Chen Yun Peng[#]) and 趙西文 (Zhao Xi Wen[#]), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in smart fire alarm system project in the PRC.

Subject matter

Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with principal amount of up to RMB17.0 million (equivalent to approximately of HK\$18.9 million) for a period of twelve months from 16 August 2020 to 15 August 2021.

Terms of the commercial factoring service

In respect of the extension of the commercial factoring arrangement, Chinlink Commercial Factoring shall charge the Customer interest at the rate of 8% per annum and a one-off handling fee of RMB170,000 (equivalent to approximately HK\$189,210), both are payable on 15 August 2021.

Guarantee

The obligation of the Customer under the Commercial Factoring Agreement as extended by the Factoring Financing Amendment and Extension Agreement is guaranteed by the legal representative of the Customer who is also the major shareholder of the Customer; and a third party independent of the Company and its connected persons.

PREVIOUS TRANSACTIONS

During the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer which consist of:

- (i) the 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 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 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 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 Consultancy Services Agreement I pursuant to which the Group provided management consultancy services to the Customer;
- (vi) the Consultancy Services Agreement II pursuant to which the Group provided management consultancy services to the Customer;
- (vii) the Consultancy Services Agreement III pursuant to which the Group provided management consultancy services to the Customer;
- (viii) the Consultancy Services Agreement IV pursuant to which the Group provided management consultancy services to the Customer; and
- (ix) the Commercial Factoring Agreement pursuant to which the Group provided commercial factoring services to the Customer.

REASONS FOR THE FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT AND THE PREVIOUS TRANSACTIONS

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 Commercial Factoring is an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of commercial factoring services in the PRC. Chinlink Guarantee is also an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of financial guarantee services and provision of consultancy services in the PRC. The Factoring Financing Amendment and Extension Agreement and the Previous Transactions were entered into in the ordinary and usual course of business of the Group. The terms of the Factoring Financing Amendment and Extension Agreement and the Previous Transactions were negotiated between the Group and the Customer on an arm's length basis with reference to prevailing market rates and terms for similar 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 Factoring Financing Amendment and Extension Agreement and the Previous Transactions 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 Factoring Financing Amendment and Extension Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, during the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer. When aggregating the Previous Transactions with the Factoring Financing Amendment and Extension Agreement certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the Factoring Financing Amendment and Extension Agreement 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 Commercial Factoring”	陝西普匯中金商業保理有限公司 (Shaanxi Chinlink Commercial Factoring Limited [#]), a company established as a wholly foreign-owned company in the PRC and an indirect non-wholly-owned subsidiary of the Company
“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
“Commercial Factoring Agreement”	the factoring agreement dated 20 August 2019 entered into between Chinlink Commercial Factoring and the Customer in relation to a commercial factoring arrangement with recourse for an amount of up to RMB17.0 million (equivalent to approximately of HK\$18.9 million) for the period commencing on 20 August 2019 and ending on 16 August 2020 at 8% interest rate per annum
“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
“Consultancy Services Agreement I”	the consultancy services agreement dated 11 October 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 RMB540,000 (equivalent to approximately of HK\$601,020)
“Consultancy Services Agreement II”	the consultancy services agreement dated 19 January 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 RMB240,000 (equivalent to approximately of HK\$267,120)

“Consultancy Services Agreement III”	the consultancy services agreement dated 14 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 14 May 2020 to 30 June 2020 at the consideration of RMB120,000 (equivalent to approximately of HK\$133,560)
“Consultancy Services Agreement IV”	the consultancy services agreement dated 24 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 from 24 June 2020 to 22 June 2021 at the consideration of RMB720,000 (equivalent to approximately of HK\$801,360)
“Customer”	西安創德科技有限公司 (Xi’an Chuang De Technology Company Limited#)
“Director(s)”	the director(s) of the Company from time to time
“Factoring Financing Amendment and Extension Agreement”	the amendment and extension agreement dated 14 August 2020 and entered into between Chinlink Commercial Factoring and the Customer in relation to the extension of the Commercial Factoring Agreement for a period of twelve months with principal amount of RMB17.0 million (equivalent to approximately HK\$18.9 million)
“Guarantee Agreement I”	the guarantee agreement dated 11 October 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 RMB9.0 million (equivalent to approximately of HK\$10.0 million) for a term of 12 months for a guarantee fee of RMB 90,000 (equivalent to approximately HK\$100,170)
“Guarantee Agreement II”	the guarantee agreement dated 19 January 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 RMB4.0 million (equivalent to approximately of HK\$4.5 million) for a term of 12 months for a guarantee fee of RMB40,000 (equivalent to approximately HK\$44,520)

“Guarantee Agreement III”	the guarantee agreement dated 14 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 RMB12.0 million (equivalent to approximately of HK\$13.4 million) for a period from 14 May 2020 to 30 June 2020 for a guarantee fee of RMB20,000 (equivalent to approximately HK\$22,260)
“Guarantee Agreement IV”	the guarantee agreement dated 24 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 RMB12.0 million (equivalent to approximately of HK\$13.4 million) for a period from 24 June 2020 to 22 June 2021 for a guarantee fee of RMB120,000 (equivalent to approximately HK\$133,560)
“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
“Previous Transactions	collectively, the transactions contemplated under the Consultancy Services Agreement I, the Consultancy Services Agreement II, the Consultancy Services Agreement III, the Consultancy Services Agreement IV, the Guarantee Agreement I, the Guarantee Agreement II, the Guarantee Agreement III, the Guarantee Agreement IV and Commercial Factoring Agreement
“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, 14 August 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\$1.113. 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.