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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 SUPPLEMENTAL GUARANTEE AND CONSULTANCY SERVICES AGREEMENT

On 25 September 2020, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company), the Customer and independent counter-guarantors (details of which are set out in the paragraph headed “Counter-guarantee” below) entered into the Supplemental Guarantee and Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed to (i) extend the guarantee period under the Old Guarantee Agreement II for a period of about twelve months; (ii) reduce the guarantee amount from RMB6.0 million (equivalent to approximately of HK\$6.82 million) under the Old Guarantee Agreement II to RMB5.0 million (equivalent to approximately of HK\$5.68 million); and (iii) extend the management consultancy services period under the Old Consultancy Services Agreement II for a period of about twelve months. Under the Supplemental Guarantee and Consultancy Services 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 and to provide management consultancy services in respect of logistics system appraisal to the Customer. During the twelve months period immediately prior to entering into the Supplemental Guarantee and Consultancy Services Agreement, the Group had entered into the Previous Transactions with the Customer.

* For identification purpose only

LISTING RULES IMPLICATIONS

The entering into of the Supplemental Guarantee and Consultancy Services Agreement on its 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 Supplemental Guarantee and Consultancy Services Agreement will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Previous Transactions together with the Supplemental Guarantee and Consultancy Services 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.

On 25 September 2020, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company), the Customer and independent guarantors (details of which are set out in the paragraph headed “counter guarantee” below) entered into the Supplemental Guarantee and Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed to (i) extend the guarantee period under the Old Guarantee Agreement II for a period of about twelve months; (ii) reduce the guarantee amount from RMB6.0 million (equivalent to approximately of HK\$6.82 million) under the Old Guarantee Agreement II to RMB5.0 million (equivalent to approximately of HK\$5.68 million; and (iii) extend the management consultancy services period under the Old Consultancy Services Agreement II for a period of about twelve months. Under the Supplemental Guarantee and Consultancy Services 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 and to provide management consultancy services in respect of logistics system appraisal to the Customer.

During the twelve months period immediately prior to entering into the Supplemental Guarantee and Consultancy Services 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.

Other details of the Supplemental Guarantee and Consultancy Services Agreement are set out below.

The Supplemental Guarantee and Consultancy Services Agreement

Date

25 September 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. 張豔榮 (Zhang Yan Rong[#]) and 張鵬 (Zhang Peng[#]), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in development and management of apartments in the PRC.

Subject matter

Pursuant to the Supplemental Guarantee and Consultancy Services Agreement, Chinlink Guarantee agreed to (i) extend the guarantee period under the Old Guarantee Agreement II for a period of about twelve months; (ii) reduce the guarantee amount from RMB6.0 million (equivalent to approximately of HK\$6.82 million) under the Old Guarantee Agreement II to RMB5.0 million (equivalent to approximately of HK\$5.68 million; and (iii) extend the management consultancy services period under the Old Consultancy Services Agreement II for a period of about twelve months.

Terms of the guarantee

The guarantee services period ending date shall be extended from 25 September 2020 to 15 September 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB50,000 (equivalent to approximately HK\$56,800) which is payable by twelve equal instalments of approximately RMB4,167 each (equivalent to approximately HK\$4,734).

Counter-guarantee

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

Terms of the consultancy services

The consultancy services period ending date shall be extended from 25 September 2020 to 15 September 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB75,000 (equivalent to approximately HK\$85,200) which is payable by twelve equal instalments of RMB6,250 each (equivalent to approximately HK\$7,100).

PREVIOUS TRANSACTIONS

During the twelve months period immediately prior to entering into the Supplemental Guarantee and Consultancy Services Agreement, 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 Consultancy Services Agreement I, pursuant to which the Group provided management consultancy services to the Customer;
- (iii) the Factoring Financing Amendment and Extension Agreement pursuant to which the Group provided commercial factoring services to the Customer.

REASONS FOR THE SUPPLEMENTAL GUARANTEE AND CONSULTANCY SERVICES AGREEMENT

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, provision of consultancy services and provision of entrusted loans in the PRC. The Supplemental Guarantee and Consultancy Services Agreement are entered into in the ordinary and usual course of business of the Group. The terms of the Supplemental Guarantee and Consultancy Services Agreement 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 under the impact of Coronavirus Disease 2019 outbreak.

Taking the above into account, the Board is of the view that the terms of the Supplemental Guarantee and Consultancy Services Agreement 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 Supplemental Guarantee and Consultancy Services Agreement on its 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 Supplemental Guarantee and Consultancy Services Agreement will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Previous Transactions together with the Supplemental Guarantee and Consultancy Services 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.

DEFINITIONS

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

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| “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\$19.31 million) for the period commencing on 20 August 2019 and ending on 26 November 2019 at 8% interest rate per annum and handling charge of RMB42,500 (equivalent to approximately HK\$48,280) |
| “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” | 陝西匯景實業科技發展有限公司 (Shaanxi Hui Jing Industry Technology Development 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 21 November 2019 and entered into between Chinlink Commercial Factoring and the Customer in relation to the extension of the Commercial Factoring Agreement for a period of about twelve months and reduction of principal from RMB17.0 million (equivalent to approximately of HK\$19.31 million) to RMB15.3 million (equivalent to approximately of HK\$17.38 million) at 8% interest rate per annum and handling charge of RMB153,000 (equivalent to approximately HK\$173,808) |

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| “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 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Old Consultancy Services Agreement I” | the consultancy services agreement dated 26 September 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 term of approximately 12 months at the consideration of RMB240,000 (equivalent to approximately of HK\$272,640) |
| “Old Consultancy Services Agreement II” | the consultancy services agreement dated 27 September 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 RMB90,000 (equivalent to approximately of HK\$102,240) |
| “Old Guarantee Agreement I” | the guarantee agreement dated 26 September 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 RMB4.0 million (equivalent to approximately of HK\$4.54 million) for a term of approximately 12 months for a guarantee fee of RMB 40,000 (equivalent to approximately HK\$45,440) |
| “Old Guarantee Agreement II” | the guarantee agreement dated 27 September 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 RMB6.0 million (equivalent to approximately of HK\$6.82 million) for a term of approximately 12 months for a guarantee fee of RMB 60,000 (equivalent to approximately HK\$68,160) |

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| “Previous Transactions | collectively, the transactions contemplated under the Old Consultancy Services Agreement I, the Old Guarantee Agreement I and the Factoring Financing Amendment and Extension 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 |
| “Supplemental Guarantee and Consultancy Services Agreement” | the supplemental agreement dated 25 September 2020 and entered into between Chinlink Guarantee and the Customer in relation to (i) the extension of the guarantee period under the Guarantee Agreement II for a period of about twelve months; (ii) the reduction of the guarantee amount from RMB6.0 million (equivalent to approximately of HK\$6.82 million) under the Guarantee Agreement II to RMB5.0 million (equivalent to approximately of HK\$5.68 million; and (iii) the extension of the management consultancy services period under the Consultancy Services Agreement II for a period of about twelve months, at the total consideration of RMB125,000 (equivalent to approximately of HK\$142,000) |
| “%” | 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, 25 September 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\$1.136. 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.