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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 8 December 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 RMB5.0 million (equivalent to approximately HK\$5.94 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. During the twelve months period immediately prior to entering into the New Agreements, the Group had entered into the Previous Transactions with the Customer.

LISTING RULES IMPLICATIONS

The entering into of the New Agreements 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 New Agreements, it will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Previous Transactions together with the New Agreements 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 8 December 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 RMB5.0 million (equivalent to approximately HK\$5.94 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.

During the twelve months period immediately prior to entering into the New Agreements, 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 New Guarantee Agreement and the New Consultancy Services Agreement are set out below.

The New Guarantee Agreement

Date

8 December 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. 侯宇峰 (Hou Yu Feng[#]), 何曉寧 (He Xiao Ning[#]), and 肖峰 (Xiao Feng[#]), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in manufacturing of electronic components 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 RMB5.0 million (equivalent to approximately HK\$5.94 million).

Terms of the guarantee

The guarantee services shall commence from 8 December 2020 and end on 7 December 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB50,000 (equivalent to approximately HK\$59,400) which is payable by twelve equal instalments of approximately RMB4,167 each (equivalent to approximately HK\$4,950).

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 major 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

8 December 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 8 December 2020 and end on 7 December 2021. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB300,000 (equivalent to approximately HK\$356,400) which is payable by twelve equal instalments of RMB25,000 each (equivalent to approximately HK\$29,700).

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 Consultancy Services Agreement I, pursuant to which the Group provided management consultancy services to the Customer; and

- (iv) the Old Consultancy Services Agreement II, 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, provision of financial guarantee services, financial advisory services and logistics services in the PRC and Hong Kong.

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 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 under the impact of Coronavirus Disease 2019 outbreak.

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 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 New Agreements, it will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Previous Transactions together with the New Agreements 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:–

“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”	西安中天科技有限責任公司 (Xi'an Zhong Tian Technology Company Limited [#])
“Director(s)”	the director(s) of the Company from time to time
“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
“New Agreements”	collectively, the New Guarantee Agreement and New Consultancy Services Agreement”
“New Consultancy Services Agreement”	the consultancy services agreement dated 8 December 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 RMB300,000 (equivalent to approximately HK\$356,400)

“New Guarantee Agreement”	the guarantee agreement dated 8 December 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 RMB5.0 million (equivalent to approximately HK\$5.94 million) for a term of twelve months for a guarantee fee of RMB50,000 (equivalent to approximately HK\$59,400)
“Old Consultancy Services Agreement I”	the consultancy services agreement dated 31 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 the period of approximately 12 months at the consideration of RMB300,000 (equivalent to approximately HK\$356,400)
“Old Consultancy Services Agreement II”	the consultancy services agreement dated 2 July 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 approximately 12 months at the consideration of RMB300,000 (equivalent to approximately HK\$356,400)
“Old Guarantee Agreement I”	the guarantee agreement dated 31 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 HK\$5.94 million) for the period of approximately 12 months for a guarantee fee of RMB50,000 (equivalent to approximately HK\$59,400)
“Old Guarantee Agreement II”	the guarantee agreement dated 2 July 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 RMB5.0 million (equivalent to approximately HK\$5.94 million) for a period of approximately 12 months for a guarantee fee of RMB50,000 (equivalent to approximately HK\$59,400)

“Previous Transactions	collectively, the transactions contemplated under the Old Consultancy Services Agreement I, the Old Consultancy Services Agreement II, the Old Guarantee Agreement I and the Old Guarantee Agreement II
“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, 8 December 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; 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\$1.188. 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.