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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 IV

On 22 July 2022, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company), the Customer and the Guarantors entered into the Supplemental Guarantee and Consultancy Services Agreement IV, pursuant to which Chinlink Guarantee agreed to (i) extend the guarantee period and consultancy services period under the Supplemental Guarantee and Consultancy Services Agreement III for a period of approximately twelve months; and (ii) reduce the guarantee amount from RMB9.0 million (equivalent to approximately HK\$10.42 million) under the Supplemental Guarantee and Consultancy Services Agreement III to RMB5.0 million (equivalent to approximately HK\$5.79 million). Under the Supplemental Guarantee and Consultancy Services Agreement IV, Chinlink Guarantee agreed to continue 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 continue to provide consultancy services in respect of logistics system appraisal to the Customer.

** For identification purpose only*

LISTING RULES IMPLICATIONS

The entering into of the Supplemental Guarantee and Consultancy Services Agreement IV exceeds 5% but below 25% of certain percentage ratios under Rule 14.07 of the Listing Rules, and hence the entering into of the Supplemental Guarantee and Consultancy Services Agreement IV 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.

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

The Supplemental Guarantee and Consultancy Services Agreement IV

Date

22 July 2022

Parties

(i) Chinlink Guarantee;

(ii) the Customer; and

(iii) the Guarantors;

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Customer and its major ultimate beneficial owners, i.e. the Individual Guarantors, 辛然(Xin Ran[#]), 邵慧 (Shao Hui[#]) and 袁大文 (Yuan Da Wen[#]) (in aggregate, own over 90% equity interests of the Customer), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in manufacturing and trading of medicine in the PRC.

Subject matter

Pursuant to the Supplemental Guarantee and Consultancy Services Agreement IV, Chinlink Guarantee agreed to (i) extend the guarantee period and the consultancy services period under the Supplemental Guarantee and Consultancy Services Agreement III for a period of approximately twelve months; and (ii) reduce the guarantee amount from RMB9.0 million (equivalent to approximately HK\$10.42 million) under the Supplemental Guarantee and Consultancy Services Agreement III to RMB5.0 million (equivalent to approximately HK\$5.79 million).

Terms of the guarantee

The guarantee services period expiry date shall be extended from 20 July 2022 to 19 July 2023. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB50,000 (equivalent to approximately HK\$57,900) which is payable upon entering into of the Supplemental Guarantee and Consultancy Services Agreement IV.

Counter-guarantee

The obligation of the Customer under the Supplemental Guarantee and Consultancy Services Agreement IV is secured by (i) the personal guarantees granted by the Individual Guarantors; and (ii) a corporate guarantee granted by the Corporate Guarantor, in favour of Chinlink Guarantee.

Securities

The obligations of the Customer under the Supplemental Guarantee and Consultancy Services Agreement IV shall be secured by: (i) certain industrial properties owned by the Customer located at Xi'an City, the PRC; and (ii) a residential property owned by the Guarantor 1 located at Xi'an City, the PRC.

Terms of the consultancy services

The consultancy services period expiry date shall be extended from 20 July 2022 to 19 July 2023. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB200,000 (equivalent to approximately HK\$231,600), of which RMB75,000 (equivalent to approximately HK\$86,850) is payable upon entering into of the Supplemental Guarantee and Consultancy Services Agreement IV and RMB125,000 (equivalent to approximately HK\$144,750) should be payable on 20 September 2022.

REASONS FOR THE SUPPLEMENTAL GUARANTEE AND CONSULTANCY SERVICES AGREEMENT IV

The Company is an investment holding company. The Group is principally engaged in property investment, provision of financial advisory services, financial guarantee services and other financial 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 Supplemental Guarantee and Consultancy Services Agreement IV are entered into in the ordinary and usual course of business of the Group. The terms of the Supplemental Guarantee and Consultancy Services Agreement IV 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 IV 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.

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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
“Corporate Guarantor”	an affiliate company of the Customer, namely 四川利君精華製藥股份有限公司 (Sichuan Li Jun Jing Hua Medical Manufacturing Company Limited [#]), incorporated in the PRC, which is a third party independent of the Company and its connected persons, and its major ultimate beneficial owners, i.e. the Individual Guarantors, together effectively own 66.5% equity interests of the Corporate Guarantor
“Customer”	西安利君精華藥業有限責任公司 (Xi'an Li Jun Jing Hua Medical Company Limited [#])
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, the Individual Guarantors and the Corporate Guarantor
“Guarantor 1”	夏時元 (Xia Shi Yuan [#]), the legal representative of the Customer who effectively owns 28.46% equity interest of the Customer and is the spouse of Guarantor 2, who is a third party independent of the Company and its connected persons
“Guarantor 2”	易遵秀 (Yi Zun Xiu [#]), who effectively owns 2.85% equity interest of the Customer and is the spouse of Guarantor 1, who is a third party independent of the Company and its connected persons

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Guarantors”	collectively, the Guarantor 1 and Guarantor 2
“Leverage Guarantee Agreement”	financial guarantee agreement for which Chinlink Guarantee is required to just place a small portion of the subject bank loan amount as bank deposit to the lending bank as security of the bank loan to be granted to customers. As the lending bank takes up most of the default risk, it would be more difficult and take longer processing time for the customer to get the bank approval and therefore, Chinlink Guarantee will charge the customer a lower consultancy fee rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Old Consultancy Services Agreement”	the consultancy services agreement dated 23 January 2019 and entered into between Chinlink Guarantee and the Customer in relation to the provision of consultancy services in respect of logistics system appraisal for a term of twelve months at the consideration of RMB300,000 (equivalent to approximately HK\$347,400)
“Old Guarantee Agreement”	the Leverage Guarantee Agreement dated 23 January 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 RMB15.0 million (equivalent to approximately HK\$17.37 million) for a term of twelve months for a guarantee fee of RMB 150,000 (equivalent to approximately HK\$173,700)
“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

<p>“Supplemental Guarantee and Consultancy Services Agreement I”</p>	<p>the supplemental Leverage Guarantee Agreement dated 22 January 2020 and entered into between Chinlink Guarantee and the Customer in relation to (i) the extension of the guarantee period under the Old Guarantee Agreement for a period of approximately twelve months; (ii) the reduction of the guarantee amount from RMB15.0 million (equivalent to approximately HK\$17.37 million) under the Old Guarantee Agreement to RMB12.0 million (equivalent to approximately HK\$13.90 million); and (iii) the extension of the consultancy services period under the Old Consultancy Services Agreement for a period of approximately twelve months at the total consideration of RMB600,000 (equivalent to approximately HK\$694,800)</p>
<p>“Supplemental Guarantee and Consultancy Services Agreement II”</p>	<p>the supplemental Leverage Guarantee Agreement dated 28 January 2021 and entered into between Chinlink Guarantee and the Customer in relation to (i) the extension of the guarantee period and consultancy services period under the Supplemental Guarantee and Consultancy Services Agreement I for a period of approximately twelve months; and (ii) the reduction of the guarantee amount from RMB12.0 million (equivalent to approximately HK\$13.90 million) under the Supplemental Guarantee and Consultancy Services Agreement I to RMB10.8 million (equivalent to approximately HK\$12.51 million) at the total consideration of RMB540,000 (equivalent to approximately of HK\$625,320)</p>
<p>“Supplemental Guarantee and Consultancy Services Agreement III”</p>	<p>the supplemental Leverage Guarantee Agreement dated 21 March 2022 and entered into between Chinlink Guarantee and the Customer in relation to (i) the extension of the guarantee period and consultancy services period under the Supplemental Guarantee and Consultancy Services Agreement II for a period of approximately six months; and (ii) the reduction of the guarantee amount from RMB10.8 million (equivalent to approximately HK\$12.51 million) under the Supplemental Guarantee and Consultancy Services Agreement II to RMB9.0 million (equivalent to approximately HK\$10.42 million) at the total consideration of RMB225,000 (equivalent to approximately of HK\$260,550)</p>

“Supplemental Guarantee and
Consultancy Services
Agreement IV”

the supplemental Leverage Guarantee Agreement dated 22 July 2022 and entered into between Chinlink Guarantee and the Customer in relation to (i) the extension of the guarantee period and consultancy services period under the Supplemental Guarantee and Consultancy Services Agreement III for a period of twelve months; and (ii) the reduction of the guarantee amount from RMB9.0 million (equivalent to approximately HK\$10.42 million) under the Supplemental Guarantee and Consultancy Services Agreement III to RMB5.0 million (equivalent to approximately HK\$5.79 million) at the total consideration of RMB250,000 (equivalent to approximately of HK\$289,500)

“%”

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, 22 July 2022

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\$1.158. 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.