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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 COMMERCIAL FACTORING AGREEMENT AND GUARANTEE AGREEMENT

On 8 September 2022, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Commercial Factoring Agreement, pursuant to which Chinlink Commercial Factoring agreed to provide commercial factoring services with recourse to the Customer in the PRC with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million) for a period of twelve months from 8 September 2022 to 8 September 2023. On the same day, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the Guarantee Agreement, pursuant to which Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under the Commercial Factoring Agreement with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million) for a period of about twelve months from 8 September 2022 to 8 September 2023. 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

Either the entering into of the New Agreements on their own or the aggregation of the New Agreements with the Previous Transactions will result in certain percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but less than 25% and hence the entering into of 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 8 September 2022, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Commercial Factoring Agreement, pursuant to which Chinlink Commercial Factoring agreed to provide commercial factoring services with recourse to the Customer in the PRC with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million) for a period of twelve months from 8 September 2022 to 8 September 2023. On the same day, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the Guarantee Agreement, pursuant to which Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under the Commercial Factoring Agreement with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million) for a period of about twelve months from 8 September 2022 to 8 September 2023.

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 terms of the New Agreements are set out below.

The Commercial Factoring Agreement

Date

8 September 2022

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. the Individual Guarantor and 于亞智 (Yu Ya Zhi[#]) (who owned 5% equity interests of the Customer), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in trading of construction materials in the PRC.

Terms of the commercial factoring service

In respect of the provision of the commercial factoring services, Chinlink Commercial Factoring shall charge the Customer interest at the rate of 3% per annum and a one-off handling fee of RMB40,000 (equivalent to approximately HK\$45,040), both are payable on 8 September 2023.

Guarantee

The obligations of the Customer under the Commercial Factoring Agreement is secured by the personal guarantee granted by the Individual Guarantor and the corporate guarantee provided by Chinlink Guarantee in favour of Chinlink Commercial Factoring .

The Guarantee Agreement

Date

8 September 2022

Parties

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

Subject matter

Pursuant to the Guarantee Agreement, Chinlink Guarantee agreed to guarantee the settlement by the Customer of the obligation under the Commercial Factoring Agreement with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million).

Terms of the guarantee

The guarantee services shall commence from 8 September 2022 and end on 8 September 2023. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB40,000 (equivalent to approximately HK\$45,040) which is payable by twelve equal instalments of RMB3,333 each (equivalent to approximately HK\$3,753).

Counter-guarantee

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

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, provision of financial advisory services, financial guarantee services and other financial services in the PRC and Hong Kong.

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, provision of consultancy services and provision of entrusted loans in the PRC. The Commercial Factoring Agreement and the Guarantee Agreement were entered into in the ordinary and usual course of business of the Group. The terms of the Commercial Factoring Agreement and the Guarantee Agreement 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 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

Either the entering into of the New Agreements on their own or the aggregation of the New Agreements with the Previous Transactions will result in certain percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but less than 25% and hence the entering into of 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 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 8 September 2022 entered into between Chinlink Commercial Factoring and the Customer in relation to a commercial factoring arrangement with recourse for an amount of up to RMB4.0 million (equivalent to approximately HK\$4.50 million) for the period commencing on 8 September 2022 and ending on 8 September 2023 at 3% interest rate per annum and with handling income of RMB40,000 (equivalent to approximately HK\$45,040)
“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”	陝西匯德信息科技有限責任公司 (Shaanxi Hui De Information Technology Company Limited [#]), a company incorporated in the PRC. Its major ultimate beneficial owner is 馮梟 (Feng Xiao [#]), who own 100% equity interest of the Corporate Guarantor. The Corporate Guarantor and its major shareholder are third parties independent of the Company and its connected persons
“Customer”	西安昌峻實業有限公司 (Xi'an Chang Jun Industrial Company Limited [#])
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries

“Guarantee Agreement”	The Leverage Guarantee Agreement dated 8 September 2022 and entered into between Chinlink Guarantee and the Customer in relation to the guarantee of the full settlement of the obligations under the Commercial Factoring Agreement with principal amount of RMB4.0 million (equivalent to approximately HK\$4.50 million) for a term of twelve months for a guarantee fee of RMB40,000 (equivalent to approximately HK\$45,040)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Guarantor”	李棟 (Li Dong#), the legal representative of the Customer who owns 95.0% equity interest of the Customer and is a third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Leverage Guarantee Agreement”	financial guarantee agreement for which Chinlink Guarantee is required to just place a small portion of the subject loan amount as pledged deposit to the lender as security of the subject loan to be granted to customers. As the lender takes up most of the default risk, it would be more difficult and take longer processing time for the customer to get the approval from the lender and therefore, Chinlink Guarantee will charge the customer a lower fee rate
“New Agreements”	collectively, the Commercial Factoring Agreement and the Guarantee Agreement
“Non-leverage Guarantee Agreement”	financial guarantee agreement for which Chinlink Guarantee is required to place almost the entire portion of the subject bank loan amount plus certain portion of interest as bank deposit to the lending bank as security of the bank loan to be granted to customers. As Chinlink Guarantee takes up and assumes most of the default risk, it would be easier and take shorter processing time for the customer to get the bank approval and therefore, Chinlink Guarantee will charge the customer a higher consultancy fee rate

“Old Consultancy Services Agreement I”	the consultancy services agreement dated 22 October 2021 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 RMB420,000 (equivalent to approximately HK\$472,920) (For details, please refer to the announcement of the Company dated 22 October 2021)
“Old Consultancy Services Agreement II”	the consultancy services agreement dated 26 September 2021 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 RMB240,000 (equivalent to approximately HK\$270,240) (For details, please refer to the announcement of the Company dated 26 September 2021)
“Old Guarantee Agreement I”	the Non-leverage guarantee agreement dated 22 October 2021 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 HK\$7.88 million) for a term of twelve months for a guarantee fee of RMB70,000 (equivalent to approximately HK\$78,820) (For details, please refer to the announcement of the Company dated 22 October 2021)
“Old Guarantee Agreement II”	the Non-Leverage guarantee agreement dated 26 September 2021 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 HK\$4.50 million) for a term of twelve months for a guarantee fee of RMB40,000 (equivalent to approximately HK\$45,040) (For details, please refer to the announcement of the Company dated 26 September 2021)
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Previous Transactions”	collectively, the transactions contemplated under the Old Guarantee Agreement I, the Old Guarantee Agreement II, the Old Consultancy Services Agreement I and the Old Consultancy Services Agreement II
“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 September 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\$1.126. 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.