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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the annual report of Chinlink International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) for the year ended 31 March 2022 (the “**2022 Annual Report**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Report.

In addition to the information disclosed in the 2022 Annual Report, the board of directors of the Company (the “**Board**”) would like to provide further information regarding the disclosure with respect to the material lending transactions of the Group as below:

(i) Business model of the Group’s lending businesses

As part of the normal course of businesses of the Group, the Group provided certain financial services to its customers through its subsidiaries which possessed relevant licences (including the money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the financing guarantee enterprise operation license in the PRC (中華人民共和國融資性擔保機構經營許可証)), which included (i) provision of various type of lending, for instance, factoring loans; entrusted loans; and other loans etc.; and (ii) provision of financial guarantee service of which the Group agreed to guarantee the settlement by its customers of the obligation under the loan agreements entered into by its customers (as the borrowers) and the lenders.

** For identification purpose only*

Such financing services are generally provided to individual and corporate borrowers that have short term funding needs and collaterals and/or counter-guarantee is/are generally requested.

The Group's clientele is primarily acquired through business referrals from business partners or customers, introduction from the banks and the Group's management and engaged in various industries in the PRC, respectively (including but not limited to construction of computer network engineering project, trading of construction materials, provision of landscaping engineering services and property development, etc.). The source of funds for the lending business and financial guarantee business was funded by the internal resources and net proceeds for the issuance of bonds of the Group.

(ii) Major terms of loans/ financial guarantee granted

The interest rate ranging of the loans were ranging from 6.0% to 12.5% per annum and maturity profile of the loans as at 31 March 2022 are i) 75% of which were within 1 year; and ii) 25% of which were more than 1 year but not exceeding two years. All of the loan receivables as at 31 March 2022 were guaranteed by the legal representatives, shareholders of the customers and/or independent third party corporations, of which 58% were also secured by i) operating income; ii) the forest felling right owned by the customers; or iii) post-dated cheques issued by the customers.

The guarantee fee and consultancy services fee (in aggregate) charged to its customers were ranging from 0.5% to 7% of the loan principal per annum and the maturity profile of the guarantee granted by the Group as at 31 March 2022 were i) 96% of which were within 1 year; and ii) 4% of which were more than three years but not exceeding four years. All of the guarantee arrangements are counter-guaranteed by the legal representatives, shareholders of the customers and/or independent third party corporations, of which 23% were also secured by i) cash deposits; ii) real estate properties; iii) operating income; or iv) the forest felling right owned by the customers.

(iii) The size and diversity of customers

As at 31 March 2022, the Group has total loan receivables amounting to HK\$246.6 million and the total guarantee sum provided by the Group to the lenders amounted to HK\$221.5 million. Summary of the customer diversity classified by the size of principal are as follows:

	Lending	Financial guarantee
Principal range	Number of customers/ (Total lending principal (HK\$))	Number of customers/ (Total guarantee principal (HK\$))
Below HK\$10 million	0/ (HK\$ Nil)	2/ (HK\$11.7 million)
HK\$10 million – HK\$20 million	1/ (HK\$18.9 million)	4/ (HK\$60.8 million)
HK\$20 million – HK\$30 million	3/ (HK\$64.2 million)	1/ (HK\$20.9 million)
HK\$30 million – HK\$40 million	2/ (HK\$73.4 million)	1/ (HK\$37.6 million)
HK\$40 million – HK\$50 million	2/ (HK\$90.1 million)	2/ (HK\$90.5 million)

The amounts of lending from the five largest customers (in aggregate) and the amounts of guarantee sum from the five largest customers (in aggregate) amounted to approximately HK\$186.7 million and HK\$167.4 million, respectively. They accounted for approximately 75.7% and 75.6% respectively of the total loan receivables and total guarantee sum of the Group as at 31 March 2022.

The above supplemental information provided in this announcement does not affect other information contained in the 2022 Annual Report and, save as disclosed above, the content of the 2022 Annual Report remain unchanged.

By order of the Board
Chinlink International Holdings Limited
Mr. Li Weibin
Chairman

Hong Kong, 3 November 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.