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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 TRANSACTIONS

Reference is made to the Announcements in relation to the acquisition of MCM Holdings by the Group through the subscription of new shares in Alpha Yield by IK Global, the consideration of which was satisfied by the transfer of the entire issued share capital of MCM Holdings by IK Global to Alpha Yield, a then indirectly wholly-owned subsidiary of the Company, pursuant to the 2017 Agreement.

DISPOSAL OF ALPHA YIELD AND ACQUISITION OF CHINLINK ALPHA

As disclosed in the Announcements, pursuant to the 2017 Agreement, if the shares of Alpha Yield, or any of its subsidiaries or holding company are not listed in Hong Kong or on any other recognised stock exchange during a period of four years after the completion of the 2017 Agreement (i.e. from 6 November 2017 to 5 November 2021), and a third party makes a bona fide arm's length offer to acquire all or more than 50% of the shares of Alpha Yield upon the terms and conditions which the MCM Founders or IK Global wishes to accept, then a drag-along right arises, entitling IK Global to require Trillion Up to sell its shares in Alpha Yield at the same price per share offered by such potential buyer. The terms of the 2017 Agreement further provides that Trillion Up is in turn entitled to exercise an option granted to it under the 2017 Agreement to acquire Chinlink Alpha and its subsidiaries from Alpha Yield at a price equal to 50% of the aggregate price offered by such potential buyer.

* For identification purpose only

As an offer was made by the Investors to purchase the entire issued share capital of Alpha Yield for a total consideration of US\$3.0 million (equivalent to approximately HK\$23.55 million), and IK Global exercised its drag-along right and Trillion Up exercised its right to acquire Chinlink Alpha pursuant to the 2017 Agreement, on 14 November 2022 (after trading hours), Trillion Up and IK Global as vendors and the Investors as purchasers entered into the Sale and Purchase Agreement, pursuant to which Trillion Up and IK Global conditionally agreed to sell and the Investors conditionally agreed to purchase the entire issued share capital of Alpha Yield for a total consideration of US\$3.0 million (equivalent to approximately HK\$23.55 million) upon the terms and conditions of the Sale and Purchase Agreement, including, among others, the completion of (i) the Reorganisation; (ii) the acquisition of Chinlink Alpha by Trillion Up; and (iii) the novation of the Chinlink Loans from MCM Holdings to the New JV Company.

On 14 November 2022 (after trading hours), Trillion Up and Alpha Yield also executed transaction documents for the acquisition of the entire issued share capital of Chinlink Alpha by Trillion Up from Alpha Yield for a total consideration of US\$1.5 million (equivalent to approximately HK\$11.8 million). Completion of the acquisition of Chinlink Alpha by Trillion Up took place on the same date upon signing of the transaction documents.

On 14 November 2022 (after trading hours), Trillion Up also entered into the Option Agreement with MCM Holdings, pursuant to which MCM Holdings granted the Option to Trillion Up, exercisable at any time during the period commencing on the 30th day from the execution of the Option Agreement and expiring on 31 December 2025, to subscribe for 7,660 MCM Shares, which are expected to represent approximately 9.9% of the entire issued share capital of MCM Holdings as enlarged by such allotment and issue of MCM Shares and certain reorganisation steps to be carried out by MCM Holdings.

Upon Completion, the Company ceased to have any interests in Alpha Yield, accordingly the financial information of Alpha Yield and MCM Holdings and their respective subsidiaries ceased to be consolidated into the consolidated financial statements of the Group. On the other hand, Chinlink Alpha and the New JV Company became owned as to 100% and 51% by the Group respectively, and upon Completion, the financial information of Chinlink Alpha and its subsidiaries remained consolidated and the New JV Company and its subsidiaries were consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of each of the disposal of Alpha Yield and the acquisition of Chinlink Alpha exceeds 5% but are less than 25%, the transactions constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the Announcements in relation to the acquisition of MCM Holdings by the Group through the subscription of new shares in Alpha Yield by IK Global, the consideration of which was satisfied by the transfer of the entire issued share capital of MCM Holdings by IK Global to Alpha Yield, a then indirectly wholly-owned subsidiary of the Company, pursuant to the 2017 Agreement.

DISPOSAL OF ALPHA YIELD AND ACQUISITION OF CHINLINK ALPHA

As disclosed in the Announcements, pursuant to the 2017 Agreement, if the shares of Alpha Yield, or any of its subsidiaries or holding company are not listed in Hong Kong or on any other recognised stock exchange during a period of four years after the completion of the 2017 Agreement (i.e. from 6 November 2017 to 5 November 2021), and a third party makes a bona fide arm's length offer to acquire all or more than 50% of the shares of Alpha Yield upon the terms and conditions which the MCM Founders or IK Global wishes to accept, then a drag-along right arises, entitling IK Global to require Trillion Up to sell its shares in Alpha Yield at the same price per share offered by such potential buyer. The terms of the 2017 Agreement further provides that Trillion Up is in turn entitled to exercise an option granted to it under the 2017 Agreement to acquire Chinlink Alpha and its subsidiaries from Alpha Yield at a price equal to 50% of the aggregate price offered by such potential buyer.

As an offer was made by the Investors to purchase the entire issued share capital of Alpha Yield for a total consideration of US\$3.0 million (equivalent to approximately HK\$23.55 million), and IK Global exercised its drag-along right and Trillion Up exercised its right to acquire Chinlink Alpha pursuant to the 2017 Agreement, on 14 November 2022 (after trading hours), Trillion Up and IK Global as vendors and the Investors as purchasers entered into the Sale and Purchase Agreement, pursuant to which Trillion Up and IK Global conditionally agreed to sell and the Investors conditionally agreed to purchase the entire issued share capital of Alpha Yield for a total consideration of US\$3.0 million (equivalent to approximately HK\$23.55 million) upon the terms and conditions of the Sale and Purchase Agreement, including, among others, the completion of (i) the Reorganisation; (ii) the acquisition of Chinlink Alpha by Trillion Up; and (iii) the novation of the Chinlink Loans from MCM Holdings to the New JV Company.

Salient terms of the Sale and Purchase Agreement and the transactions upon which its completion is conditional are set out below:

Date

14 November 2022

Parties

- (i) Trillion Up as vendor;
- (ii) IK Global as vendor;
- (iii) Investor A as purchaser; and
- (iv) Investor B as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Investor A and Investor B are companies incorporated in Hong Kong principally engaged in investment holding and the Investors and their respective ultimate beneficial owners are Independent Third Parties; and IK Global is a company incorporated in the Cayman Islands principally engaged in investment holding and owned as to 48.5% by Mr. Valenzuela, 41.35% by Mr. Bouzouba, 7.15% by Tyrus Industries Ltd., 2% by Mr. Dong Wenbin and 1% by Ms. Liu Vivian Pauline, and IK Global, being a substantial shareholder of Alpha Yield, a subsidiary of the Company immediately prior to the Completion, is a connected person of the Company.

Assets to be disposed of

Prior to the Completion, Alpha Yield was owned as to 51% by Trillion Up and 49% by IK Global. Pursuant to the terms and conditions of the Sale and Purchase Agreement, (i) Trillion Up has conditionally agreed to sell, and each of Investor A and Investor B has conditionally agreed to purchase, 29% and 22% of the entire issued share capital of Alpha Yield respectively; and (ii) IK Global has conditionally agreed to sell, and each of Investor A and Investor B has conditionally agreed to purchase, 29% and 20% of the entire issued share capital of Alpha Yield respectively, i.e. the entire issued share capital of Alpha Yield in aggregate.

Consideration

The consideration payable by the Investors to Trillion Up and IK Global for the entire issued share capital of Alpha Yield shall be US\$3.0 million (equivalent to approximately HK\$23.55 million) in aggregate in the following proportions to be satisfied by way of promissory notes issued by the Investors in the following principal amounts in favour of the relevant vendors at Completion:

Vendor	Purchaser	Shareholding interest in Alpha Yield	Consideration
Trillion Up	Investor A	29%	US\$882,692.31
Trillion Up	Investor B	22%	US\$647,307.69
IK Global	Investor A	29%	US\$848,076.92
IK Global	Investor B	20%	US\$621,923.08
			<hr/> <hr/> <u>US\$3,000,000.00</u>

The consideration was based on the offer price made by the Investors which is agreed upon by IK Global and notified to Trillion Up in the drag-along notice.

Conditions precedent

Completion is conditional upon the fulfilment or waiver (as the case may be) of, among other matters, the following conditions:

- (i) the Reorganisation having been duly completed to the satisfaction of the Investors;
- (ii) the Sale and Purchase Agreement and other transaction documents having been duly executed by all parties thereto;
- (iii) the completion of the acquisition by Trillion Up of Chinlink Alpha from Alpha Yield;
- (iv) a written confirmation having been provided by MCM Holdings to set out and confirm the details of the management's rights over 20% of all net revenues produced by transactions of MCM Holdings and its subsidiaries or funds originated prior to Completion;
- (v) the memorandum and articles of association of MCM Holdings having been duly amended, restated and adopted;
- (vi) the novation of the Chinlink Loans from MCM Holdings to the New JV Company having been completed;

- (vii) the termination of the shareholders' agreement entered into pursuant to the 2017 Agreement taking effect on Completion;
- (viii) all corporate and other relevant approvals and consents in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (ix) there having been no event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets or liabilities of Alpha Yield and its subsidiaries or their businesses, or material impairment of the ability of any party to any of the documents in respect of the transactions contemplated under the Sale and Purchase Agreement (other than the Investors) to perform the material obligations of such party under such document or of the validity or enforceability of the Sale and Purchase Agreement or any such other document against any party thereto (other than the Investors) since the last accounting date;
- (x) the Investors being satisfied with the due diligence results in relation to, the legal, financial and operational aspects of Alpha Yield and its subsidiaries; and
- (xi) all warranties provided by Trillion Up and IK Global under the Sale and Purchase Agreement remaining true and complete in all aspects and not misleading in any respect as at the Completion Date.

As at the date of this announcement, all the conditions above have been fulfilled.

Completion

Pursuant to the Sale and Purchase Agreement, Completion shall and did take place upon signing of the Sale and Purchase Agreement.

At Completion, the Reorganisation, the acquisition of Chinlink Alpha by Trillion Up and the novation of the Chinlink Loans from MCM Holdings to the New JV Company were also completed.

Reorganisation of the New JV Company

Prior to the Reorganisation, Trillion Up, MCM Holdings and the New JV Company entered into a joint venture agreement in relation to the formation of the New JV Company with an aggregate registered capital of US\$50,000 (equivalent to approximately HK\$392,500). Upon Completion, the New JV Company is owned as to 51% and 49% by Trillion Up and MCM Holdings respectively, equivalent to the proportions of shareholding interests of Trillion Up and IK Global in Alpha Yield immediately prior to the Completion.

Prior to the Completion, MCM Holdings had undergone certain reorganisation steps and transferred the entire equity interests of 西安曼匯企業運營管理有限公司 (MCM Enterprise Operations Management (Xi'an) Co, Ltd.#) (the “**Xi'an WFOE**”), a wholly foreign-owned company in the PRC to the New JV Company.

The Xi'an WFOE is a limited liability company incorporated and registered in the PRC and together with its wholly-owned subsidiary, which is also a limited liability company incorporated and registered in the PRC, i.e. 陝西普中曼睿資產管理有限公司 (MCM Asset Management (Shaanxi) Co, Ltd.#) (the “**Chinlink MCM**”), principally engaged in the provision of private equity asset management and other financial services in the PRC.

Acquisition of Chinlink Alpha by Trillion Up

As disclosed in the Announcements, pursuant to the 2017 Agreement, if the shares of Alpha Yield, or any of its subsidiaries or holding company are not listed in Hong Kong or on any other recognised stock exchange during a period of four years after the completion of the 2017 Agreement (i.e. from 6 November 2017 to 5 November 2021), and a third party makes a bona fide arm's length offer to acquire all or more than 50% of the shares of Alpha Yield upon the terms and conditions which the MCM Founders or IK Global wishes to accept, then a drag-along right arises, entitling IK Global to require Trillion Up to sell its shares in Alpha Yield at the same price per share offered by such potential buyer. The terms of the 2017 Agreement further provides that Trillion Up is in turn entitled to exercise an option granted to it under the 2017 Agreement to acquire Chinlink Alpha and its subsidiaries from Alpha Yield at a price equal to 50% of the aggregate price offered by such potential buyer.

On 14 November 2022 (after trading hours), at Completion, Trillion Up exercised its option to acquire Chinlink Alpha for US\$1.5 million (equivalent to approximately HK\$11.8 million) and Chinlink Alpha became an indirect wholly-owned subsidiary of the Company through Trillion Up.

Salient terms of the acquisition of Chinlink Alpha are set out below:

Date

14 November 2022

Parties

- (i) Trillion Up as purchaser; and
- (ii) Alpha Yield as vendor.

Prior to Completion, Alpha Yield is owned as to 51% by Trillion Up and 49% by IK Global.

Assets to be acquired

Chinlink Alpha is wholly-owned by Alpha Yield, which is owned as to 51% by Trillion Up and 49% by IK Global prior to Completion. Trillion Up has agreed to acquire, and Alpha Yield has agreed to dispose the entire issued share capital of Chinlink Alpha, which is a company incorporated in Hong Kong principally engaged in investment holding. It holds 65% equity interests of Chinlink Shaanxi, a company established in the PRC (which in turn holds 100% equity interests of 陝西普匯中金商業保理有限公司 (Shaanxi Chinlink Factoring Company Ltd.#)), which is principally engaged in the provision of corporate financing guarantee services, management consultancy services and entrusted loans in Shaanxi Province, the PRC.

Consideration

The consideration payable by Trillion Up to Alpha Yield shall be US\$1.5 million (equivalent to approximately HK\$11.8 million) and was settled by Trillion Up at completion by way of assignment to Alpha Yield of promissory notes issued by the Investors for part of the consideration for the disposal of the shareholding interests in Alpha Yield by Trillion Up to the Investors.

Completion

Completion took place upon signing of the transfer documents by Trillion Up and Alpha Yield.

Novation of the Chinlink Loans

As disclosed in the Announcements in relation to the acquisition of MCM Holdings by the Group, following completion of the said acquisition, the Group provided loan facilities to MCM Holdings to finance the business operations of Alpha Yield and its subsidiaries (including MCM Holdings and its subsidiaries). The Chinlink Loans are interest-free and unsecured and repayable on the maturity date of 31 December 2018 or such later date subject to the condition that there are positive retained earnings recorded by MCM Holdings at such maturity date and that the MCM Loan has been repaid in full. Prior to Completion, the MCM Loan has been waived by the MCM Founders and the Chinlink Loans have become due and payable but remain outstanding in full by MCM Holdings. Following the disposal of Alpha Yield by the Group and as a condition to the Sale and Purchase Agreement, the Chinlink Loans, being all outstanding indebtedness owed by the MCM Group to the Group immediately prior to the Completion, were novated to the New JV Company such that the New JV Company has assumed all the rights, obligations and liabilities of MCM Holdings under the Chinlink Loans.

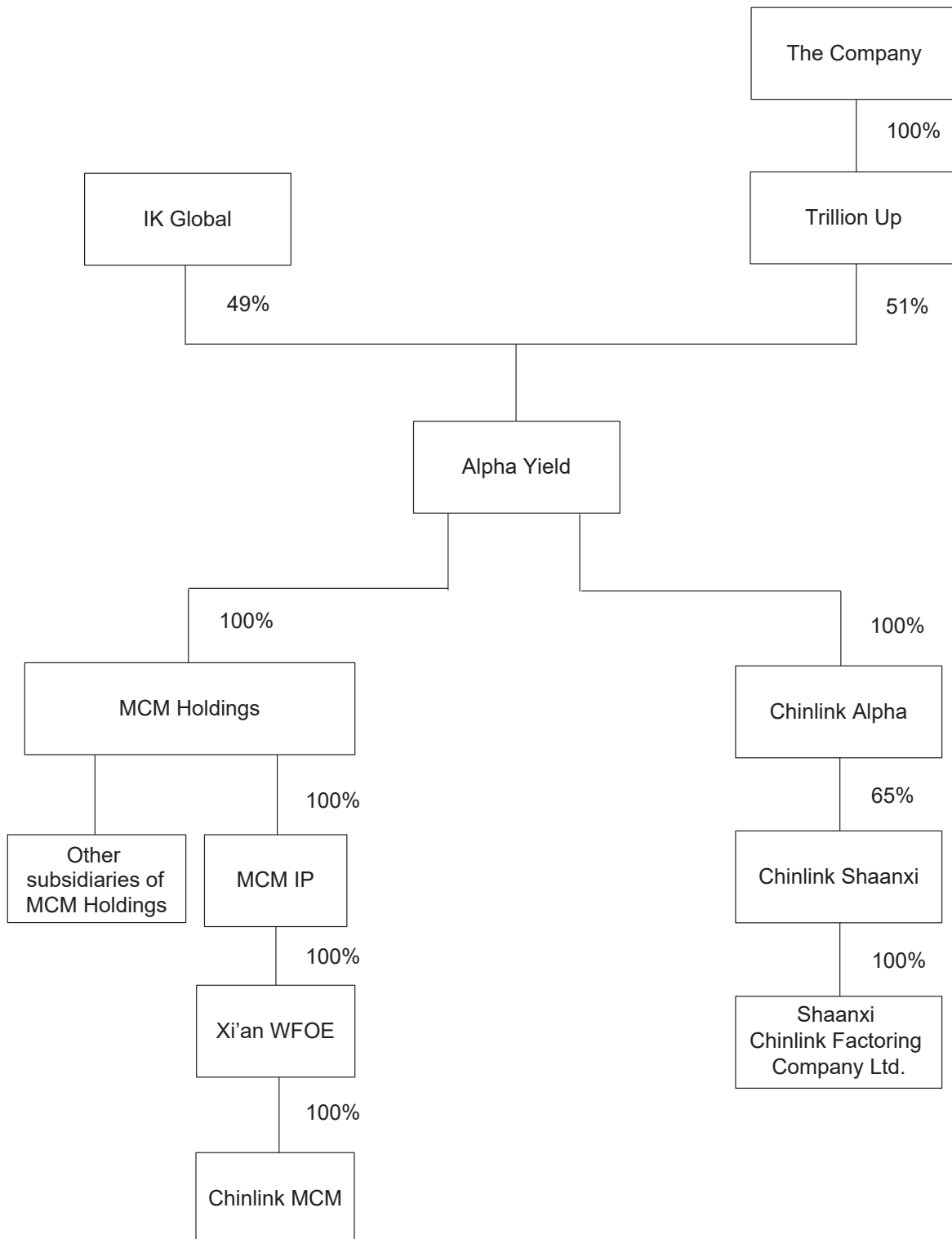
Option to subscribe for MCM Shares

On 14 November 2022 (after trading hours), Trillion Up also entered into the Option Agreement with MCM Holdings, pursuant to which MCM Holdings granted the Option to Trillion Up, exercisable at any time during the period commencing on the 30th day from the execution of the Option Agreement and expiring on 31 December 2025, to subscribe for 7,660 MCM Shares, which are expected to represent approximately 9.9% of the entire issued share capital of MCM Holdings as enlarged by such allotment and issue of MCM Shares and certain reorganisation steps to be carried out by MCM Holdings. The Company has intention to exercise the Option after it becomes exercisable, it is expected that such exercise would not constitute a notifiable transaction of the Company under the Listing Rules.

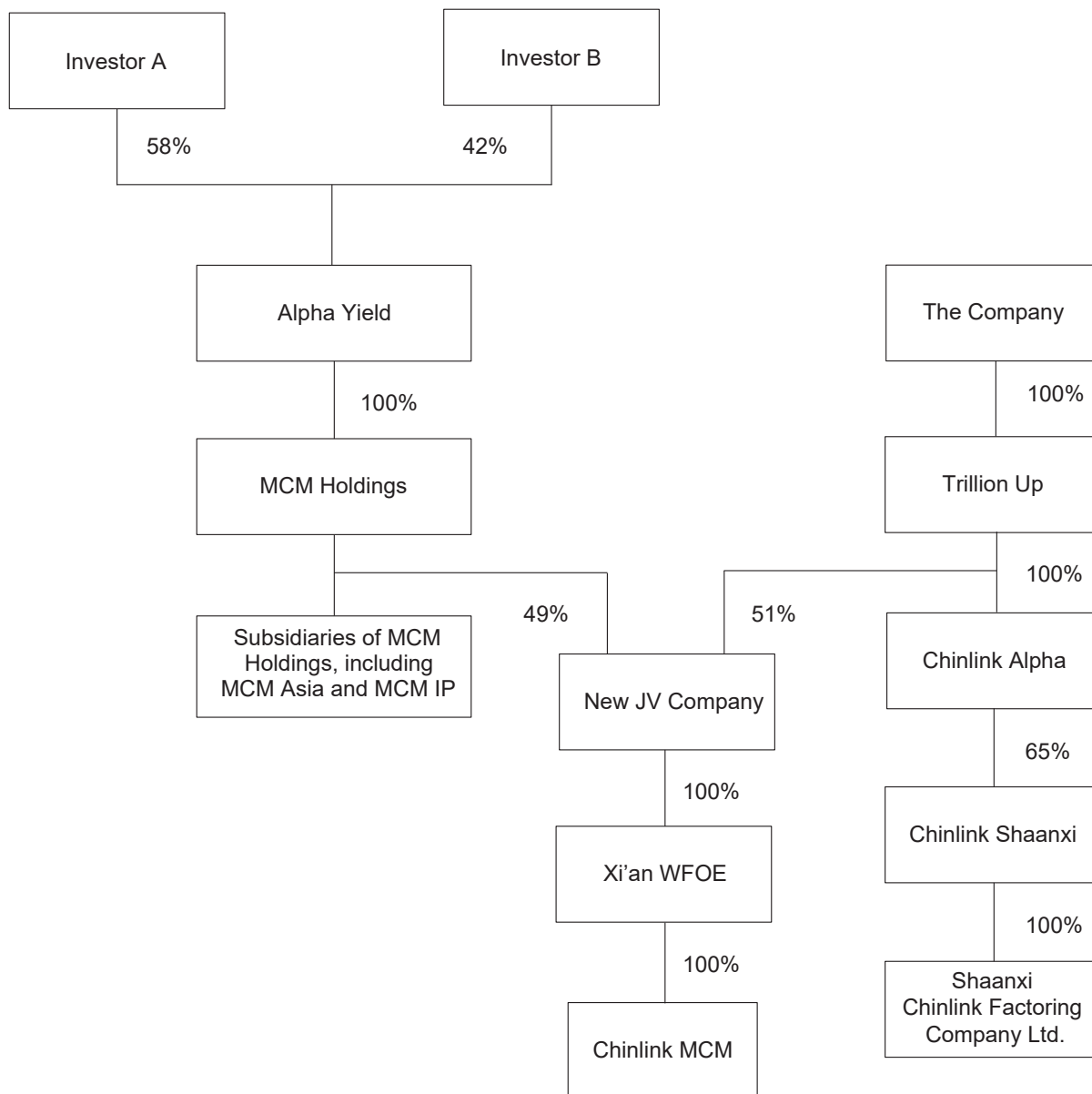
Upon Completion, the Company ceased to have any interests in Alpha Yield, accordingly the financial information of Alpha Yield and MCM Holdings and their respective subsidiaries ceased to be consolidated into the consolidated financial statements of the Group. On the other hand, Chinlink Alpha and the New JV Company became owned as to 100% and 51% by the Group respectively, and upon Completion, the financial information of Chinlink Alpha and its subsidiaries remained consolidated and the New JV Company and its subsidiaries were consolidated into the consolidated financial statements of the Group.

CHANGE IN SHAREHOLDING STRUCTURE OF ALPHA YIELD

Set out below is the simplified shareholding structure of Alpha Yield and its subsidiaries immediately prior to the Reorganisation and the Completion:



Set out below is the simplified shareholding structure of Alpha Yield and its subsidiaries immediately after the Completion (without taking into account the Option which may be exercised by the Company and certain reorganisation steps to be carried out by MCM Holdings not involving the Group):



Alpha Yield is a company incorporated in the BVI with limited liability and an indirect subsidiary of the Company owned as to 51% by Trillion Up and 49% by IK Global immediately prior to the Completion. Alpha Yield is principally engaged in investment holding.

Set out below is the unaudited consolidated financial information of Alpha Yield and its subsidiaries (excluding Chinlink Alpha and its subsidiaries) prepared in accordance with generally accepted accounting principles in Hong Kong for each of the two years ended 31 March 2021 and 2022:

	For the year ended 31 March	
	2021	2022
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	89,610	37,170
Profit/(Loss) before taxation	21,421	(14,554)
Profit/(Loss) after taxation	21,421	(14,554)

The unaudited consolidated net liabilities of Alpha Yield and its subsidiaries (excluding Chinlink Alpha and its subsidiaries) amounted to approximately HK\$1.45 million as at 31 March 2022.

Chinlink Alpha is a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company owned by Alpha Yield immediately prior to the Completion. Chinlink Alpha is principally engaged in investment holding. It holds 65% equity interests of Chinlink Shaanxi, a company established in the PRC and holding 100% equity interests of 陝西普匯中金商業保理有限公司 (Shaanxi Chinlink Factoring Company Ltd.#). As at the date of this announcement, it has a registered capital of RMB284.5 million. Its principal business is the provision of corporate financing guarantee services, management consultancy services and entrusted loans in Shaanxi Province, the PRC.

Set out below is the unaudited consolidated financial information of Chinlink Alpha and its subsidiaries prepared in accordance with generally accepted accounting principles in Hong Kong for each of the two years ended 31 March 2021 and 2022:

	For the year ended 31 March	
	2021	2022
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	29,736	25,920
Profit before taxation	16,670	18,729
Profit after taxation	13,351	14,473

The unaudited consolidated net assets of Chinlink Alpha and its subsidiaries amounted to approximately HK\$114.2 million as at 31 March 2022.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

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.

As disclosed in the Announcements in relation to the acquisition of MCM Holdings by the Group, the transactions contemplated under the 2017 Agreement were aimed to provide an opportunity for the Group to explore new business opportunities by taking advantage of the extensive experience and customer network of the MCM Founders in the securities and capital market and leveraging on the financial services expertise of MCM Holdings and its then subsidiaries with local presence and strong network of the Group to create a dynamic investment and asset management group that could bridge the needs and opportunities of Shaanxi Province and the PRC at large with international capital markets and investors.

However, since the completion of the 2017 Agreement, the operating performance of MCM Holdings has been volatile, in particular, its business operations in Europe created an additional burden on the MCM Group as a whole as the substantial level of resources and funds allocated to its businesses in Europe have yet to create any returns, causing significant losses to MCM Holdings and its subsidiaries. Following the restructuring of its business in 2020 involving the closure of the London office of MCM Holdings, and the streamlining of personnel to control expenses, MCM Holdings recorded net profits consecutively for two years for the first time since 2017. However, due to the severe impact of the coronavirus disease 2019, coupled with the increasingly complex geopolitics and a series of domestic policy implemented in several key industries, which have dealt a heavy blow to the demand and confidence for foreign investments desire in the PRC, the performance of MCM Holdings further dwindled into 2022. MCM Holdings has struggled to meet its operating expenses and ensure sufficient working capital.

As MCM Holdings required a relatively substantial amount of funding to resolve its financial needs and the Company, considering the change in the Group's business strategy and current situation, determined that the use of its funds for repayment of debts and other business segments would be more beneficial to the Group and decided not to provide further financial assistance to MCM Holdings. External fund-raising was accordingly necessary to allow the continuing operations of MCM Holdings and its subsidiaries. Therefore, when the Investors made their offers to acquire Alpha Yield, the Company considered its contractual obligation to sell its shares in Alpha Yield with the option to acquire Chinlink Alpha and elected to proceed with the disposal of Alpha Yield and the acquisition of Chinlink Alpha taking into account the following factors:

- (i) Although the Company, as the controlling shareholder of Alpha Yield, was not obliged to provide further funding to Alpha Yield and MCM Holdings and its subsidiaries, considering the substantial and urgent needs for funding for MCM Holdings to continue its business operations and the fact that the Company has other priority in its use of funds, while the Investors expressed interest in investing in MCM Holdings and had the capacity and means to inject funds to solve the immediate liquidity issues of MCM Holdings, and provide funding for the development of businesses of MCM Holdings, as well as their own businesses into MCM Holdings to expand the financial management businesses of MCM Holdings;
- (ii) It was a condition proposed by the Investors that the Company shall dispose of its controlling stake and for the existing indebtedness owed by MCM Holdings to be resolved or restructured prior to the Completion, as such, the Chinlink Loans were novated to the New JV Company and the MCM Loan owed by MCM Holdings to the MCM Founders of HK\$18.8 million were waived by the MCM Founders; and
- (iii) The transactions contemplated under the Sale and Purchase Agreement, including the disposal of Alpha Yield, the formation of the New JV Company, the transfer of Xi'an WFOE to the New JV Company, the acquisition of Chinlink Alpha by Trillion Up, the novation of the Chinlink Loans and the option for the subscription of MCM Shares, altogether, essentially allowed the Company to reverse back to its initial position before the 2017 Agreement was entered into, with the slight difference of the option of holding a 9.9% shareholding in MCM Holdings and a 51% joint venture stake in only Xi'an WFOE and Chinlink MCM, as well as transferring the Chinlink Loans to New JV Company with much better prospects and potentials. As discussed above, among the subsidiaries of MCM Holdings, Xi'an WFOE and Chinlink MCM, representing the entire PRC operations of MCM Holdings since the 2017 Agreement, were primarily the driving force for the future development of MCM Holdings, in contrast with the dwindling overseas operations, as such, the transactions contemplated under the Sale and Purchase Agreement would enable the Company to divest from the investment in MCM Holdings while maintaining a controlling stake in the promising business operations in the PRC, which could further strengthen the businesses of Chinlink Shaanxi.

In view of the foregoing matters, the Board is of the view that the terms of the Sale and Purchase 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.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company ceased to have any equity interest in Alpha Yield and Alpha Yield ceased to be a subsidiary of the Company. However, at Completion, the acquisition of Chinlink Alpha was completed and Chinlink Alpha remains as a subsidiary of the Company. As a result, Alpha Yield and MCM Holdings and its subsidiaries would no longer be accounted for in the financial results of the Company but Chinlink Alpha and its subsidiaries would remain to be accounted for in the financial results of the Company. The Group is expected to record an unaudited gain on the disposal of Alpha Yield of approximately HK\$7.02 million. Such unaudited gain is estimated based on gross proceeds from the disposal attributable to the Group of approximately US\$1.53 million (equivalent to approximately HK\$12.01 million) less the net assets value of the Alpha Yield and its subsidiaries attributable to the Group (excluding Chinlink Alpha and its subsidiaries) of approximately HK\$4.69 million as at 31 March 2022, and after deducting the expenses directly attributable to the disposal in aggregate of approximately HK\$0.3 million. The actual amount of gain on the disposal to be recorded by the Group will depend on the net carrying value of Alpha Yield as at the date of Completion, which may be different from the amount mentioned above and will be subject to review and final audit by the auditors of the Company.

Pursuant to the Sale and Purchase Agreement, the consideration payable by the Investors to Trillion Up shall be US\$1.53 million (equivalent to approximately HK\$12.01 million) in aggregate and was satisfied by way of promissory notes issued by the Investors. At Completion, such promissory notes in the principal amount of US\$1.53 million (equivalent to approximately HK\$12.01 million) were assigned in full by Trillion Up to satisfy the consideration for the acquisition of Chinlink Alpha and the subscription of the MCM Shares. There were no remaining net proceeds from the disposal of Alpha Yield and the acquisition of Chinlink Alpha thereafter.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of each of the disposal of Alpha Yield and the acquisition of Chinlink Alpha exceeds 5% but are less than 25%, the transactions constitute discloseable transactions of the Company and are subject to the reporting 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:

“2017 Agreement”	the agreement dated 11 June 2017 entered into among the Company, Trillion Up, IK Global and the MCM Founders in respect of the investments in Alpha Yield, details of which are disclosed in the Announcements
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“Alpha Yield”	Alpha Yield Limited, a company incorporated in the BVI with limited liability and an indirect subsidiary of the Company owned as to 51% by Trillion Up and 49% by IK Global immediately prior to the Completion
“Announcements”	the announcements of the Company dated 12 June 2017, 14 June 2017, 11 July 2017, 14 August 2017, 25 October 2017, 27 October 2017 and 6 November 2017 in relation to, among other matters, the 2017 Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chinlink Alpha”	Chinlink Alpha Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Alpha Yield
“Chinlink Loans”	the shareholder’s loans in the aggregate principal amount of US\$2.9 million provided by the Group to the MCM Group
“Chinlink Shaanxi”	陝西普匯中金融資擔保有限公司 (Shaanxi Chinlink Financial Guarantee Limited#), a company incorporated in the PRC, and 65% equity interest held by Chinlink Alpha
“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)
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms and conditions
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“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
“IK Global”	Instant Karma Global Holdings Limited, a company incorporated in the Cayman Islands which is owned as to 48.5% by Mr. Valenzuela, 41.35% by Mr. Bouzouba, 7.15% by Tyrus Industries Ltd., 2% by Dong Wenbin and 1% by Liu Vivian Pauline
“Independent Third Party(ies)”	a party(ies) who is/are not connected person(s) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and its connected persons
“Investor A”	BFB International Limited, a company incorporated in Hong Kong, being one of the purchasers under the Sale and Purchase Agreement
“Investor B”	Lutea (Hong Kong) Limited, a company incorporated in Hong Kong, as trustee for Valriche Trust, being one of the purchasers under the Sale and Purchase Agreement
“Investors”	Investor A and Investor B collectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MCM Asia”	MCM Asia Limited, a wholly-owned subsidiary of MCM Holdings incorporated in Hong Kong with limited liability, being a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“MCM Founders”	Mr. Bouzouba and Mr. Valenzuela
“MCM Group”	MCM Holdings and its subsidiaries
“MCM Holdings”	MCM Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Alpha Field immediately prior to the Completion

“MCM IP”	MCM Investment Partners Limited, a non-wholly-owned subsidiary of MCM Holdings incorporated in Hong Kong with limited liability, being a corporation licensed to carry out type 9 (asset management) regulated activity under the SFO
“MCM Loan”	the shareholder’s loan in the amount of HK\$18.8 million provided by the MCM Founders to the MCM Group
“MCM Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of MCM Holdings
“Mr. Bouzouba”	Mr. Rachid Bouzouba, one of the founders of MCM Holdings who holds a 41.35% equity interest in IK Global as at the date of the Sale and Purchase Agreement
“Mr. Valenzuela”	Mr. Adrian Valenzuela, one of the founders of MCM Holdings who holds a 48.5% equity interest in IK Global as at the date of the Sale and Purchase Agreement
“New JV Company”	BD Capital I Limited, an exempted company incorporated in the Cayman Islands with limited liability, to be owned as to 51% by Trillion Up and 49% by MCM Holdings upon Completion
“Option”	the option granted by MCM Holdings to Trillion Up under the Option Agreement to acquire 7,660 MCM Shares
“Option Agreement”	the option agreement dated 14 November 2022 entered into between Trillion Up and MCM Holdings in respect of the option to acquire 7,660 MCM Shares
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Reorganisation”	the corporate reorganisation of the subsidiaries of Alpha Yield, including but not limited to the formation of the New JV Company and the transfer of certain subsidiaries to the New JV Company

“Sale and Purchase Agreement”	the agreement dated 14 November 2022 entered into among Trillion Up and IK Global as vendors and the Investors as purchasers in respect of sale and purchase of the entire issued share capital of Alpha Yield
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Trillion Up”	Trillion Up Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	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, 14 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.

In this announcement, amounts in US\$ and RMB are translated into HK\$ on the basis of US\$1.00 = HK\$7.85 and RMB1.00 = HK\$1.10. The conversion rate is for illustration purpose only and should not be taken as a representation that US\$ or RMB could actually be converted into HK\$ at such rate or at other rates or at all.