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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 AGREEMENTS

On 14 June 2023, 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 RMB8.5 million (equivalent to approximately HK\$9.35 million) for a period of twelve months from 14 June 2023 to 14 June 2024. On the same day, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the Guarantee Agreement and the Consultancy Services 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 RMB8.5 million (equivalent to approximately HK\$9.35 million) for a period of about twelve months from 14 June 2023 to 14 June 2024 and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months from 14 June 2023 to 14 June 2024 to the Customer.

LISTING RULES IMPLICATIONS

The entering into of the Agreements will result in certain percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but below 25%, and hence the entering into of the 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 14 June 2023, 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 RMB8.5 million (equivalent to approximately HK\$9.35 million) for a period of twelve months from 14 June 2023 to 14 June 2024. On the same day, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the Guarantee Agreement and the Consultancy Services 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 RMB8.5 million (equivalent to approximately HK\$9.35 million) for a period of about twelve months from 14 June 2023 to 14 June 2024 and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months from 14 June 2023 to 14 June 2024 to the Customer.

Other details of the terms of the Agreements are set out below:

The Commercial Factoring Agreement

Date

14 June 2023

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 owner, i.e. the Individual Guarantor, are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in decoration and engineering services 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 2% per annum, which is payable on 14 June 2024.

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

14 June 2023

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 RMB8.5 million (equivalent to approximately HK\$9.35 million).

Terms of the guarantee

The guarantee services shall commence from 14 June 2023 and end on 14 June 2024. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB42,500 (equivalent to approximately HK\$46,750) which is payable by twelve equal instalments of RMB3,542 each (equivalent to approximately HK\$3,896).

Counter-guarantee

The obligation of the Customer under the Guarantee Agreement is secured by the personal guarantee granted by the Individual Guarantor and the corporate guarantee granted by the Corporate Guarantor.

The Consultancy Services Agreement

Date

14 June 2023

Parties

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

Subject matter

Pursuant to the 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 14 June 2023 and end on 14 June 2024. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB212,500 (equivalent to approximately HK\$233,750) which is payable by twelve equal instalments of RMB17,708 each (equivalent to approximately HK\$19,479).

REASONS FOR THE 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 Agreements were entered into in the ordinary and usual course of business of the Group. The terms of the Agreements 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.

Taking the above into account, the Board is of the view that the terms of the Agreements are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder are in the interest of the Group and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Agreements will result in certain percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but below 25%, and hence the entering into of the 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:–

“Agreements”	Collectively, the Commercial Factoring Agreement, the Guarantee Agreement and the Consultancy Services Agreement
“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 currently an indirect non-wholly-owned subsidiary of the Company
“Commercial Factoring Agreement”	the factoring agreement dated 14 June 2023 entered into between Chinlink Commercial Factoring and the Customer in relation to a commercial factoring arrangement with recourse for an amount of up to RMB8.5 million (equivalent to approximately HK\$9.35 million) for the period commencing on 14 June 2023 and ending on 14 June 2024 at 2% interest rate per annum
“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
“Consultancy Services Agreement”	the consultancy services agreement dated 14 June 2023 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 RMB212,500 (equivalent to approximately of HK\$233,750)

“Corporate Guarantor”	陝西鴻書商貿有限公司 (Shaanxi Hongshu Trading Company Limited [#]), a company incorporated in the PRC. Its ultimate beneficial owner is 李文 (Li Wen [#]), who owns 100% equity interests of the Corporate Guarantor. The Corporate Guarantor and its ultimate beneficial owners are third parties independent of the Company and its connected persons
“Customer”	陝西山秀圖建築工程有限公司 (Shaanxi Shanxiutu Construction Engineering 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 14 June 2023 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 RMB8.5 million (equivalent to approximately HK\$9.35 million) for a term of twelve months for a guarantee fee of RMB42,500 (equivalent to approximately HK\$46,750)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Guarantor”	李靜 (Li Jing [#]), the legal representative of the Customer who owns 100% equity interests 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

“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, 14 June 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Weibin and Mr. Siu Wai Yip; a non-executive Director, namely Mr. Lam Wing Yiu; 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\$1.10. 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.