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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 NEW AGREEMENTS

On 26 September 2021, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the New Guarantee Agreement and New Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed 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 with principal amount of RMB5.0 million (equivalent to approximately HK\$6.03 million) for a period of twelve months and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months to the Customer. 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

The entering into of the New Agreements on their own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Previous Transactions with the New Agreements, it will result in certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with 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 26 September 2021, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company) and the Customer entered into the New Guarantee Agreement and New Consultancy Services Agreement, pursuant to which Chinlink Guarantee agreed 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 with principal amount of RMB5.0 million (equivalent to approximately HK\$6.03 million) for a period of twelve months and to provide management consultancy services in respect of logistics system appraisal for a period of twelve months to the Customer.

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 Guarantee Agreement and the New Consultancy Services Agreement are set out below.

The New Guarantee Agreement

Date

26 September 2021

Parties

(i) Chinlink Guarantee; and

(ii) the Customer.

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 Guarantor and 羅峰 (Luo Feng[#], who owns 40% equity interests of the Customer), are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in food & beverage and entertainment business in the PRC.

Subject matter

Pursuant to the New Guarantee Agreement, Chinlink Guarantee agreed 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 with principal amount of RMB5.0 million (equivalent to approximately HK\$6.03 million).

Terms of the guarantee

The guarantee services shall commence from 26 September 2021 and end on 24 September 2022. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a guarantee fee of RMB50,000 (equivalent to approximately HK\$60,250) which is payable by twelve equal instalments of RMB4,167 each (equivalent to approximately HK\$5,021).

Securities

The obligations of the Customer under the New Guarantee Agreement shall be secured by the operational income of the Customer.

Counter-guarantee

The obligation of the Customer under the New Guarantee Agreement is secured by the personal guarantee granted by the Guarantor, in favour of Chinlink Guarantee.

The New Consultancy Services Agreement

Date

26 September 2021

Parties

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

Subject matter

Pursuant to the New 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 26 September 2021 and end on 24 September 2022. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer a consultancy services fee of RMB300,000 (equivalent to approximately HK\$361,500) which is payable by twelve equal instalments of RMB25,000 each (equivalent to approximately HK\$30,125).

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;
- (iv) the Old Consultancy Services Agreement II, pursuant to which the Group provided management consultancy services to the Customer; and
- (v) the Entrusted Loan Extension Agreement in relation to an entrusted loan arrangement between the Customer, the Group and a financial institution in the PRC.

REASONS FOR THE NEW AGREEMENTS

The Company is an investment holding company. The Group is principally engaged in property investment, trading, provision of financial guarantee services, financial advisory services and logistics 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 New Agreements are entered into in the ordinary and usual course of business of the Group. The terms of the New Agreements 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 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

The entering into of the New Agreements on their own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Previous Transactions with the New Agreements, it will result in certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with 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:–

“Administrative Agent”	西安聚華網路小額貸款有限公司 (Xi’an Ju Hua Online Financial Limited [#]) which is a third party independent of the Company and its connected persons
“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 currently 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
“Customer”	陝西滾石新天地文化投資有限公司 (Shaanxi Gun Shi Xin Tian Di Cultural Investment Company Limited [#])
“Director(s)”	the director(s) of the Company from time to time
“Entrusted Loan”	the loan with principal amount of RMB26.0 million (equivalent to approximately HK\$31.33 million) at 7% interest rate per annum to be lent by Chinlink Guarantee and borrowed by the Customer under the Entrusted Loan agreement. The loan period was from 7 September 2020 to 7 September 2021 and was extended to 7 September 2022 as supplemented by the Entrusted Loan Extension Agreement
“Entrusted Loan Agreement”	the entrusted loan agreement dated 7 September 2020 and entered into among Chinlink Guarantee, the Customer and the Administrative Agent in relation to the provision of an Entrusted Loan (For details, please refer to the announcement of the Company dated 7 September 2020)

“Entrusted Loan Extension Agreement”	the entrusted loan extension agreement dated 8 September 2021 and entered into among Chinlink Guarantee, the Customer and the Administrative Agent in relation to the extension of the maturity date of Entrusted Loan (For details, please refer to the announcement of the Company dated 8 September 2021)
“Group”	the Company and its subsidiaries
“Guarantor”	趙重華 (Zhao Zhong Hua [#]), the legal representative of the Customer who owns 60.0% equity interests of the Customer and 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
“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 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
“New Agreements”	collectively, the New Guarantee Agreement and the New Consultancy Services Agreement
“New Consultancy Services Agreement”	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 RMB300,000 (equivalent to approximately HK\$361,500)

“New Guarantee Agreement”	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 RMB5.0 million (equivalent to approximately HK\$6.03 million) for a term of twelve months for a guarantee fee of RMB50,000 (equivalent to approximately HK\$60,250)
“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 29 March 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 about twelve months at the consideration of RMB57,000 (equivalent to approximately HK\$68,685) (For details, please refer to the announcement of the Company dated 29 March 2021)
“Old Consultancy Services Agreement II”	the consultancy services agreement dated 9 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 about twelve months at the consideration of RMB120,000 (equivalent to approximately HK\$144,600) (For details, please refer to the announcement of the Company dated 9 September 2021)

“Old Guarantee Agreement I”	the Leverage Guarantee Agreement dated 29 March 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 RMB3.8 million (equivalent to approximately HK\$4.58 million) for a term of about twelve months for a guarantee fee of RMB38,000 (equivalent to approximately HK\$45,790) (For details, please refer to the announcement of the Company dated 29 March 2021)
“Old Guarantee Agreement II”	the Non-leverage Guarantee Agreement dated 9 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 RMB2.0 million (equivalent to approximately HK\$2.41 million) for a term of about twelve months for a guarantee fee of RMB20,000 (equivalent to approximately HHK\$24,100) (For details, please refer to the announcement of the Company dated 9 September 2021)
“Previous Transactions”	collectively, the transactions contemplated under the Old Guarantee Agreement I, the Old Guarantee Agreement II, the Old Consultancy Services Agreement I, the Old Consultancy Services Agreement II and the Entrusted Loan Extension Agreement
“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, 26 September 2021

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\$1.205. 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.