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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
IN RELATION TO FINANCE LEASE ARRANGEMENT**

THE AGREEMENTS

After trading hours of the Stock Exchange on 20 December 2017, Chinlink Finance Lease (currently an indirect non-wholly-owned subsidiary of the Company) and the Lessee entered into the Agreements, pursuant to which Chinlink Finance Lease agreed to purchase the Assets from the Lessee for a consideration of RMB96.0 million (equivalent to approximately HK\$113.5 million) and thereafter lease back the Assets to the Lessee for a term of 36 months for total lease payments of RMB115.3 million (equivalent to approximately HK\$136.3 million).

LISTING RULES IMPLICATIONS

The transactions contemplated under each of the Agreements constitute 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

The Board is pleased to announce that after trading hours of the Stock Exchange on 20 December 2017, Chinlink Finance Lease (currently an indirect non-wholly-owned subsidiary of the Company) and the Lessee entered into the Agreements, pursuant to which Chinlink Finance Lease agreed to purchase the Assets from the Lessee for a consideration of RMB96.0 million (equivalent to approximately HK\$113.5 million) and thereafter lease back the Assets to the Lessee for a term of 36 months for total lease payments of RMB115.3 million (equivalent to approximately HK\$136.3 million). Details of the Agreements are set out below.

THE AGREEMENTS

Date

20 December 2017

Parties

- (i) Chinlink Finance Lease; and
- (ii) the Lessee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Lessee and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules); and (ii) the Lessee is a limited company incorporated in the PRC and is a coal mining contractor and is principally engaged in sales of coal in the PRC.

Subject matter

Pursuant to the Agreements, Chinlink Finance Lease agreed to purchase the Assets from the Lessee for a total consideration of RMB96.0 million (equivalent to approximately HK\$113.5 million) and thereafter lease back the Assets to the Lessee.

The consideration for the sale and purchase of the Assets, less the security deposit in the amount of RMB9.6 million (equivalent to approximately HK\$11.3 million and representing 10% of the consideration for the sale and purchase of the Assets) to be retained by Chinlink Finance Lease, shall be payable by Chinlink Finance Lease to the Lessee within 7 Business Days after entering into the Agreements. The consideration was determined with reference to the original purchase costs of the Assets by the Lessee of approximately RMB157.9 million (equivalent to approximately HK\$186.6 million).

Chinlink Finance Lease shall charge the Lessee a handling fee of RMB0.96 million per annum (representing 1% per annum of the original principal amount and over the finance lease terms of 3 years) totally RMB2.88 million (equivalent to approximately HK\$3.4 million) for the sale and leaseback arrangement under the Agreements.

Conditions

The Agreements shall become effective subject to, among other things, the due execution of all the securities documents in connection with the assets/rights to be pledged to and corporate guarantees given in favour of Chinlink Finance Lease to secure the performance of the obligations of the Lessee under the Agreements.

Terms of the lease

Pursuant to the Agreement, following the sale and purchase of the Assets as described above, Chinlink Finance Lease shall lease the Assets to the Lessee for a period of 36 months from the date on which the consideration of the Assets is paid by Chinlink Finance Lease. During the lease period, the Lessee shall make total lease payments to Chinlink Finance Lease in the aggregate amount of RMB115.3 million (equivalent to approximately HK\$136.3 million), which comprise (i) principal lease amount which is equivalent to the consideration for the sale and purchase of the Assets as described above; and (ii) interests calculated based on a flat interest rate of 6.7% per annum on the aforesaid principal lease amount over the lease term. The aggregate lease payments shall be payable by the Lessee in 6 equal semi-annually installments of approximately RMB19.2 million (equivalent to approximately HK\$22.7 million) each during the lease term.

Buyback arrangement

The title of the Assets shall vest in Chinlink Finance Lease during the lease term. Upon expiry of the lease term and subject to the full settlement of all lease payments and interests due to Chinlink Finance Lease, Chinlink Finance Lease shall sell and the Lessee shall purchase the Assets at an agreed nominal consideration of RMB100 (equivalent to approximately HK\$118), which shall be payable by the Lessee together with the final lease payment to Chinlink Finance Lease. The security deposit of RMB9.6 million shall also be released to the Lessee.

Securities

The obligations of the Lessee under the Agreements shall be secured by corporate guarantees given by two limited companies incorporated in the PRC which are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR THE AGREEMENTS

The Company is an investment holding company. The Group is principally engaged in property investment, trading (including mainly electronic components and appliance, furniture and fixtures, etc.), provision of financing guarantee services, finance leasing services and logistics services in the PRC and interior decoration works in Hong Kong and Macau.

Chinlink Finance Lease is currently an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of finance leasing services in the PRC, targeting the healthcare, infrastructure, public transport and environment facilities sectors. The Agreements are entered into in the ordinary and usual course of business of Chinlink Finance Lease and the Assets are being used in the principal business of the Lessee. The terms of the Agreements were negotiated between Chinlink Finance Lease and the Lessee on an arm's length basis with reference to prevailing market rates and terms for similar finance lease arrangements. The consideration for the acquisition of the Assets shall be paid out of the paid up capital of Chinlink Finance Lease, and the lease payments receivable from the Lessee shall be retained as the working capital of Chinlink Finance Lease for its finance leasing business.

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 the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Agreements constitute 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”	together, the asset acquisition agreement and the finance lease agreement both dated 20 December 2017 entered into contemporaneously between Chinlink Finance Lease and the Lessee in relation to the sale and leaseback arrangement for the Assets
“Assets”	being the machineries and equipments owned by the Lessee for coal mining
“Board”	the board of Directors

“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in the PRC are open for general business during their normal business hours
“Chinlink Finance Lease	普匯中金融資租賃有限公司 (Chinlink Finance Lease Company 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 issued Shares are listed on the main board of the Stock Exchange (Stock Code: 0997)
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lessee”	西安朗意科技發展有限公司神樹畔煤礦 (Xi'an Lang Yi Ke Ji Development Company Limited Shen Shu Pan Coal Mine*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.3125 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“% ”	per cent.

The English translation of Chinese names or words 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 or words.*

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.182. 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.

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

Hong Kong, 20 December 2017

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Li Weibin, Mr. Siu Wai Yip, Ms. Lam Suk Ling, Shirley and Mr. Lau Chi Kit; a non-executive Director, namely Ms. Fung Sau Mui; and three independent non-executive Directors, namely Dr. Ho Chung Tai, Raymond, Ms. Lai Ka Fung, May and Ms. Chan Sim Ling, Irene.