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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO PROVISION OF
CORPORATE FINANCING GUARANTEE SERVICES**

THE NEW GUARANTEE AGREEMENT

After the trading hours of the Stock Exchange on 30 March 2018, Chinlink Guarantee (currently an indirect non-wholly-owned subsidiary of the Company) and Dewantong entered into the New Guarantee Agreement, pursuant to which Chinlink Guarantee shall be responsible for providing corporate financing guarantee services to Dewantong. As the guarantor under the New Guarantee Agreement, Chinlink Guarantee has agreed to provide guarantee to the lending bank in favor of Dewantong for procuring Dewantong in obtaining the loan provided by the lending bank.

** For identification purpose only*

LISTING RULES IMPLICATIONS

Dewantong is a company incorporated in the PRC with limited liability and 50% of its equity interest is indirectly held by Mr. Li. Hence, Dewantong is a connected person of the Company and the New Guarantee Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcements of the Company dated 28 July 2016, 27 March 2017, 30 March 2017, 2 May 2017, 19 September 2017 and 28 March 2018, Chinlink Guarantee had entered into various financing guarantee agreements and/or consultancy services agreement with Gun Shi, Zhuo Yuan and Dewantong respectively, and Chinlink Finance Lease had entered into a finance lease agreement with Hao Hua.

Gun Shi, Zhuo Yuan and Hao Hua are also connected persons of the Company which Mr. Li or his relatives have substantial interest. Therefore, transactions with Gun Shi, Zhuo Yuan, Hao Hua and Dewantong should be aggregated for the calculation of annual caps.

With the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, the annual caps of the aggregate transactions with Gun Shi, Zhuo Yuan, Hao Hua and Dewantong exceed 0.1% but are less than 5%, the Board considered that the New Guarantee Agreement and the annual caps are subject to annual review, reporting and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

After the trading hours of the Stock Exchange on 30 March 2018, Chinlink Guarantee (currently an indirect non-wholly-owned subsidiary of the Company) and Dewantong entered into the New Guarantee Agreement, pursuant to which Chinlink Guarantee shall be responsible for providing corporate financing guarantee services to Dewantong. As the guarantor under the New Guarantee Agreement, Chinlink Guarantee has agreed to provide guarantee to the lending bank in favor of Dewantong for procuring Dewantong in obtaining the loan provided by the lending bank.

Details of the New Guarantee Agreement are set out below:

The New Guarantee Agreement

Date

30 March 2018

Parties

(i) Chinlink Guarantee; and

(ii) Dewantong

Dewantong is a company incorporated in the PRC with limited liability and is engaged in property development, leasing and management, and operation of warehouse and logistics centres in Xi'an City, Shaanxi Province, the PRC. 50% of its equity interest is indirectly held by Mr. Li.

Subject matter

Pursuant to the New Guarantee Agreement, Chinlink Guarantee agreed to guarantee the settlement by Dewantong of the obligation under a bank loan agreement entered into by Dewantong (as borrower) and a bank (as lender) in the PRC with principal amount of RMB4.0 million (equivalent to approximately of HK\$5.0 million).

Terms of the guarantee

The guarantee services shall commence from 30 March 2018 and end on 25 March 2019.

In respect of the above arrangements, Chinlink Guarantee shall charge Dewantong a total guarantee fees of approximately RMB100,000 (equivalent to approximately HK\$124,000) and is payable by twelve equal monthly instalments of RMB8,333.33 each (equivalent to approximately HK\$10,333.33).

Counter-guarantee

The obligation of Dewantong under the New Guarantee Agreement is secured by (i) the personal guarantee granted by the legal representative of Dewantong and her spouse, who are third parties independent of the Company; and (ii) a corporate guarantee granted by an independent party, in favour of Chinlink Guarantee.

REASONS FOR THE NEW GUARANTEE AGREEMENT

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 Special Administrative Region of the PRC.

Chinlink Guarantee is currently an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of financing guarantee services and provision of consultancy services in the PRC. The New Guarantee Agreement is entered into in the ordinary and usual course of business of the Group. The terms of the New Guarantee Agreement were negotiated between Chinlink Guarantee and Dewantong on an arm's length basis with reference to prevailing market rates and terms for similar financial guarantee arrangements.

Taking the above into account, the Board (including the independent non-executive Directors but excluding Mr. Li) is of the view that the terms of the New Guarantee Agreement is 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. Mr. Li did abstain from voting at the board meeting of the Company to approve the New Guarantee Agreement in view of his interest in Dewantong.

LISTING RULES IMPLICATIONS

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As disclosed in the announcements of the Company dated 28 July 2016, 27 March 2017, 30 March 2017, 2 May 2017, 19 September 2017 and 28 March 2018, Chinlink Guarantee had entered into various financing guarantee agreements and/or consultancy services agreement with Gun Shi, Zhuo Yuan and Dewantong respectively, and Chinlink Finance Lease had entered into a finance lease agreement with Hao Hua.

Gun Shi, Zhuo Yuan and Hao Hua are also connected persons of the Company which Mr. Li or his relatives have substantial interest. Therefore, transactions with Gun Shi, Zhuo Yuan, Hao Hua and Dewantong should be aggregated for the calculation of annual caps.

With the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, the annual caps of the aggregate transactions with Gun Shi, Zhuo Yuan, Hao Hua and Dewantong exceed 0.1% but are less than 5%, the Board considered that the New Guarantee Agreement and the annual caps are subject to annual review, reporting and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The respectively annual cap amounts for the financing guarantee services, consultancy services and financing lease services provided to Gun Shi, Zhuo Yuan, Hao Hua and Dewantong for each of the two financial years ending 31 March 2018 and 2019 are set out as follows:

	Year ending 31 March	
	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Financing guarantee and consultancy service fees and guarantee sum with respect to Gun Shi, Zhuo Yuan and Dewantong	18,095	8,215
Finance lease amount, interest and fees as disclosed in the announcement of the Company dated 19 September 2017	17,215	16,350
Total annual caps	<u>35,310</u>	<u>24,565</u>

The aforesaid annual caps are arrived at based on the terms of the respective agreements with Gun Shi, Zhuo Yuan, Hao Hua and Dewantong.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as set forth below:

“Board”	the board of Directors
“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
“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 Stock Exchange (Stock Code: 0997)
“Connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Dewantong”	西安德萬通商業運營管理有限公司 (Xi’an Dewantong Commercial Operation and Management Company*), a company incorporated in the PRC with limited liability and is engaged in property development, leasing and management, and operation of warehouse and logistics centres in Xi’an City, Shaanxi Province, the PRC. 50% of the equity interest of Dewantong is indirectly held by Mr. Li. Dewantong is a connected person of the Company under Chapter 14A of the Listing Rules
“Director(s)”	the director(s) of the Company from time to time

“Group”	the Company and its subsidiaries
“Gun Shi”	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*), a company incorporated in the PRC with limited liability and is engaged in food & beverage and entertainment business. 68.13% of the equity interest of Gun Shi is held by the relative of Mr. Li. The remaining 31.87% of the equity interest of Gun Shi is owned indirectly by Hao Hua. Mr. Li is owning as to 60% of the beneficial interest of Hao Hua. Gun Shi is a connected person of the Company under Chapter 14A of the Listing Rules
“Hao Hua”	西安浩華置業有限公司 (Xi’an Hao Hua Zhi Ye Company Limited*), a company incorporated in the PRC with limited liability and is engaged in property development business. Mr. Li, is owning as to 60% (of which 20% equity interest is owned directly and 40% equity interest is owned indirectly) of the beneficial interest of Hao Hua. Hao Hua is a connected person of the Company under Chapter 14A of the Listing Rules
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Weibin, an executive Director and the controlling shareholder of the Company
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“New Guarantee Agreement”	the guarantee agreement date 30 March 2018 entered into between Chinlink Guarantee and Dewantong in relation to the guarantee of the settlement of the obligations under a bank loan agreement entered into by Dewantong (as borrower) and a bank (as lender) in the PRC with principal amount of RMB4.0 million (equivalent to approximately of HK\$5.0 million) for a terms of approximately 12 months
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhuo Yuan”	西安匯景倬元信息技術有限公司 (Xi’an Hui Jing Zhuo Yuan Information Technology Company Limited*), a company incorporated in the PRC with limited liability and is engaged in software development business. 56% of its equity interest is held by the relatives of Mr. Li directly and indirectly. The remaining 44% of the equity interest of Zhuo Yuan is owned by third parties independent of the Company. Zhuo Yuan is a connected person of the Company under Chapter 14A of the Listing Rules
“%”	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\$1.24. 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, 30 March 2018

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.