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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
THE INVESTMENT COOPERATION AGREEMENT**

The Board is pleased to announce that on 2 September 2019, Chinlink Hanzhong, an indirect wholly-owned subsidiary of the Company, and Zhenxing Agricultural entered into the Cooperation Agreement in relation to the capital injection into the Target Company.

Pursuant to the Cooperation Agreement, the total initial capital contribution is RMB200.0 million (equivalent to approximately HK\$220.0 million), which shall be made as to RMB132.0 million (equivalent to approximately HK\$145.2 million) by Chinlink Hanzhong and RMB68.0 million (equivalent to approximately HK\$74.8 million) by Zhenxing Agricultural, in the form of registered capital to the Target Company. As a result, the Target Company will be held as to 66% by Chinlink Hanzhong and 34% by Zhenxing Agricultural.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) is greater than 5% but less than 25%, the Cooperation Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

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* For identification purpose only

THE COOPERATION AGREEMENT

Date

2 September 2019

Parties

- (i) Chinlink Hanzhong; and
- (ii) Zhenxing Agricultural

Zhenxing Agricultural is a state-owned enterprise principally engaged in the investment and development in the agricultural industry and is indirectly wholly-owned by Hanzhong Municipal Government State-owned Assets Supervision and Administration Commission* (漢中市政府國有資產監督管理委員會). To the best of the Director's knowledge, information and belief, having made all reasonable enquiry, Zhenxing Agricultural and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Subject matter

Pursuant to the Cooperation Agreement, the total initial capital contribution is RMB200.0 million (equivalent to approximately HK\$220.0 million), which shall be made as to RMB132.0 million (equivalent to approximately HK\$145.2 million) by Chinlink Hanzhong and RMB68.0 million (equivalent to approximately HK\$74.8 million) by Zhenxing Agricultural, in the form of registered capital to the Target Company.

The timing of and manner in which the capital injection is to be made are subject to further negotiation between the parties to the Cooperation Agreement. The amount of capital injection into the Target Company was determined after arm's length negotiation between the parties to the Cooperation Agreement based on the intended scope of business and the initial working capital requirement of the Target Company.

Registered capital and shareholding structure

The shareholding structure of the Target Company will be determined by the proportional capital to be contributed by and/or attributable to Chinlink Hanzhong and Zhenxing Agricultural respectively. Upon completion of the capital injection, the Target Company will be held as to 66% by Chinlink Hanzhong and 34% by Zhenxing Agricultural.

Board composition

Pursuant to the Cooperation Agreement, Chinlink Hanzhong may appoint two directors to the board of directors of the Target Company after its establishment and one of whom shall also be appointed as the chairman of the board of directors of the Target Company. Zhenxing Agricultural may appoint one director to the board of directors of the Target Company after its establishment.

INFORMATION ON THE TARGET COMPANY

The Target Company shall be established as a company with limited liability in the PRC with a registered capital of RMB200.0 million (equivalent to approximately HK\$220.0 million). With the approval from the Hanzhong Municipal Administration for Industry & Commerce, its principal business activities shall be the property investment and operation of agricultural specialty products and Chinese herbal medicine display centres and the provision of services in relation to the logistics, development, consultancy and testing of agricultural specialty products and Chinese herbal medicine.

REASONS FOR ENTERING INTO OF THE COOPERATION AGREEMENT

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

The Group and the Hanzhong Municipal Government considered that the economic development of Hanzhong City is in a fast-growing stage and desire to expedite the service centre project for the display and trading of agricultural specialty products and Chinese herbal medicine in order to help local farmers to enter a larger market, improve the allocation of resources and further the growth of the agricultural industry in the PRC. The transactions contemplated under the Cooperation Agreement would allow the Group to further cooperate strategically with the Hanzhong Municipal Government and further develop and strengthen their business relationship. It is the intention of the parties to make use of the properties of the Group for the Target Company to conduct its businesses.

The Board considers that the Cooperation Agreement would offer the Group a broader exposure to enterprises in Hanzhong City, in particular, the local farmers and agricultural enterprises, to further its business network in Hanzhong City through expansion of its property investment and leasing and provision of financial guarantee services, finance lease services and logistics services in its ordinary course of business. With the support from Hanzhong Municipal Government together with the Group's capital market experience, the cooperation with Zhenxing Agricultural is expected to bring in a positive outlook to the business of the Group in Hanzhong City. The Board considers that the terms of the Cooperation Agreement are fair and reasonable and the capital injection by Chinlink Hanzhong to the Target Company is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Chinlink Hanzhong”	Chinlink International Trade Centre (Hanzhong) Company Limited* (普匯中金國際交易中心(漢中)有限公司), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company at the date of this announcement
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the investment cooperation agreement dated 2 September 2019 entered into between Chinlink Hanzhong and Zhenxing Agricultural in relation to the capital injection into the Target Company
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, the Macau Special Administrative Region and Taiwan
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.3125 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Hanzhong City Tiannong Chinese Pharmaceutical Development Company Limited* (漢中市天農漢藥產業發展有限公司), a company to be established with limited liability in the PRC
“Zhenxing Agricultural”	Hanzhong City Zhenxing Agricultural Services Company Limited* (漢中市振興鄉村產業服務有限公司), a state-owned company established in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

For illustration purpose only, amounts in RMB in this announcement have been translated into HK\$ at the rate of RMB1 = HK\$1.1. No representation is made that any amounts in RMB have been or could be converted into HK\$ at the above rate or at any other rates or at all.

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

Hong Kong, 2 September 2019

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; 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.