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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  
RELATING TO PROVISION OF  
CORPORATE FINANCIAL GUARANTEE SERVICES  
AND CONSULTANCY SERVICES**

**THE GUARANTEE AGREEMENT AND CONSULTANCY SERVICES AGREEMENT**

After the trading hours of the Stock Exchange on 27 September 2019, Chinlink Guarantee (currently an indirect non-wholly-owned subsidiary of the Company) and Zhuo Yuan entered into the Guarantee Agreement and Consultancy Services Agreement, pursuant to which Chinlink Guarantee shall be responsible for providing corporate financial guarantee services and consultancy services to Zhuo Yuan. As the guarantor under the Guarantee Agreement, Chinlink Guarantee has agreed to provide guarantee to the lending bank in favor of Zhuo Yuan for procuring Zhuo Yuan in obtaining the loan provided by the lending bank.

*\* For identification purpose only*

## **LISTING RULES IMPLICATIONS**

Zhuo Yuan is a company incorporated in the PRC with limited liability and 56% of its equity interest is held by the relatives of Mr. Li. Hence, Zhuo Yuan is a connected person of the Company and the Guarantee Agreement and the Consultancy Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 28 September 2018, Chinlink Guarantee had entered into an old financial guarantee agreement and a old consultancy services agreement with Zhuo Yuan which should be included 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 Zhuo Yuan exceed 0.1% but are less than 5%, the Board considered that the Guarantee Agreement, the Consultancy Services 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 counter-guarantee provided by Hao Hua, a connected person of the Company (with which Mr. Li or his relatives have substantial interest) under Chapter 14A of the Listing Rules is for the benefit of the Group, which is on normal commercial terms and is exempted under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and independent shareholders' approval requirements since no security over the assets of the Company was granted in respect of such counter-guarantee.

After the trading hours of the Stock Exchange on 27 September 2019, Chinlink Guarantee (currently an indirect non-wholly-owned subsidiary of the Company) and Zhuo Yuan entered into the Guarantee Agreement and the Consultancy Services Agreement, pursuant to which Chinlink Guarantee shall be responsible for providing corporate financial guarantee and consultancy services to Zhuo Yuan. As the guarantor under the Guarantee Agreement, Chinlink Guarantee has agreed to provide guarantee to the lending bank in favor of Zhuo Yuan for procuring Zhuo Yuan in obtaining the loan provided by the lending bank.

Details of the Guarantee Agreement and the Consultancy Services Agreement are set out below:

***Date***

27 September 2019

***Parties***

(i) Chinlink Guarantee; and

(ii) Zhuo Yuan

Zhuo Yuan is a company providing software development services incorporated in the PRC with limited liability. 56% of the equity interest is held by the relatives of Mr. Li. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the remaining 44% of the equity interest of Zhuo Yuan is owned by third parties independent of the Company.

***Terms of the Guarantee Agreement***

Pursuant to the Guarantee Agreement, Chinlink Guarantee agreed to guarantee the settlement by Zhuo Yuan of the obligation under a bank loan agreement entered into by Zhuo Yuan (as borrower) and a bank (as lender) in the PRC with principal amount of RMB5.0 million (equivalent to approximately of HK\$5.5 million).

The guarantee services shall commence from 27 September 2019 and end on 27 September 2020.

Chinlink Guarantee shall charge Zhuo Yuan a total guarantee fee of RMB125,000.00 (equivalent to approximately HK\$137,500), which shall be made payable by Zhuo Yuan by twelve equal monthly instalments of RMB10,417 each (equivalent to approximately HK\$11,459).

### ***Terms of the Consultancy Services Agreement***

The consultancy services agreement shall commence from 27 September 2019 and end on 27 September 2020.

Chinlink Guarantee shall provide management consultancy services in respect of logistics system appraisal to Zhuo Yuan at a total consultancy fee of RMB225,000 (equivalent to approximately HK\$247,500), which shall be made payable by Zhuo Yuan by twelve equal monthly instalments of RMB18,750 each (equivalent to approximately HK\$20,625).

### ***Counter-guarantee***

The obligation of Zhuo Yuan under the Guarantee Agreement is secured by (i) the personal guarantee granted by the legal representative of Zhuo Yuan, who is third party independent of the Company; and (ii) a corporate guarantee granted by Hao Hua, in favour of Chinlink Guarantee.

## **REASONS FOR THE GUARANTEE AGREEMENT AND THE CONSULTANCY SERVICES AGREEMENT**

The Company is an investment holding company. The Group is principally engaged in property investment; trading (including mainly electronic components and appliance); provision of financial guarantee services and finance leasing services in the PRC; and financial advisory services.

Chinlink Guarantee is currently an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of financial guarantee services and provision of consultancy services in the PRC. The Guarantee Agreement and the Consultancy Services Agreement were entered into in the ordinary and usual course of business of the Group. The terms of the Guarantee Agreement and the Consultancy Services Agreement were negotiated between Chinlink Guarantee and Zhuo Yuan on an arm's length basis with reference to the 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) considers that the terms of the Guarantee Agreement and the Consultancy Services Agreement are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder will diversify the Group's business and revenue base and 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 Guarantee Agreement and the Consultancy Services Agreement in view of his indirect interest in Zhuo Yuan.

## **LISTING RULES IMPLICATIONS**

Zhuo Yuan is a company incorporated in the PRC with limited liability and 56% of its equity interest is held by the relatives of Mr. Li. Hence, Zhuo Yuan is a connected person of the Company and the Guarantee Agreement and the Consultancy Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 28 September 2018, Chinlink Guarantee had entered into an old financial guarantee agreement and a old consultancy services agreement with Zhuo Yuan which should be included 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 Zhuo Yuan exceed 0.1% but are less than 5%, the Board considered that the Guarantee Agreement, the Consultancy Services 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 respective annual cap amounts for the financial guarantee services and consultancy services provided to Zhuo Yuan by the Company for each of the two financial years of 2020 and 2021 ending 31 March are set out as follows:

	<b>Year ending 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Financial guarantee and consultancy service fees	360	180
The guarantee sum	<u>5,000</u>	<u>5,000</u>
Total annual caps	<u><b>5,360</b></u>	<u><b>5,180</b></u>

The aforesaid annual caps are arrived at based on the terms of the agreements with Zhuo Yuan.

The counter-guarantee provided by Hao Hua, a connected person of the Company under Chapter 14A of the Listing Rules is for the benefit of the Group, which is on normal commercial terms and is exempted under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and independent shareholders' approval requirements since no security over the assets of the Company was granted in respect of such counter-guarantee.

## **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 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

“Consultancy Services Agreement”	the consultancy services agreement dated 27 September 2019 entered into between Chinlink Guarantee and Zhuo Yuan in relation to the provision of consultancy services to Zhuo Yuan for a term of 12 months
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 27 September 2019 entered into between Chinlink Guarantee and Zhuo Yuan in relation to the guarantee of the settlement of the obligations under a bank loan agreement entered into by Zhuo Yuan (as borrower) and a bank (as lender) in the PRC with principal amount of RMB5.0 million (equivalent to approximately of HK\$5.5 million) for a term of 12 months
“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 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
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Zhuo Yuan”

西安匯景偉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\$1.1. 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, 27 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.*