

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT

On 21 November 2019, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Factoring Financing Amendment and Extension Agreement, pursuant to which Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with reduced principal amount of up to RMB15.3 million (equivalent to approximately of HK\$17.0 million) for a period of about twelve months from 21 November 2019 to 26 November 2020.

LISTING RULES IMPLICATIONS

The entering into of the Factoring Financing Amendment and Extension Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, during the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer. When aggregating the Previous Transactions with the Factoring Financing Amendment and Extension Agreement, certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the Factoring Financing Amendment and Extension Agreement 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 21 November 2019, Chinlink Commercial Factoring (an indirect non-wholly-owned subsidiary of the Company) as factoring provider and the Customer as vendor entered into the Factoring Financing Amendment and Extension Agreement, pursuant to which Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with reduced principal amount of up to RMB15.3 million (equivalent to approximately of HK\$17.0 million) for a period of about twelve months from 21 November 2019 to 26 November 2020.

During the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, 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.

THE FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT

Details of the terms of the Factoring Financing Amendment and Extension Agreement are as follows:

Date

21 November 2019

Parties

- (i) Chinlink Commercial Factoring as factoring provider; and
- (ii) The Customer as vendor

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the Customer and its ultimate beneficial owner are third parties independent of the Company and its connected persons; and (ii) the Customer is principally engaged in development and management of apartments in the PRC.

Subject matter

Chinlink Commercial Factoring agreed to extend the commercial factoring services with recourse previously provided to the Customer in the PRC under the Commercial Factoring Agreement with reduced principal amount of up to RMB15.3 million (equivalent to approximately of HK\$17.0 million) for a period of about twelve months from 21 November 2019 to 26 November 2020.

Terms of the commercial factoring service

In respect of the extension of the commercial factoring arrangement, Chinlink Commercial Factoring shall charge the Customer interest at the rate of 8% per annum and a one-off handling fee of RMB153,000 (equivalent to approximately HK\$169,830), both are payable on 26 November 2020.

Guarantee

The obligation of the Customer under the Commercial Factoring Agreement as extended by the Factoring Financing Amendment and Extension Agreement is guaranteed by the legal representative who is also the shareholder of the Customer; and a third party independent of the Company and its connected persons.

PREVIOUS TRANSACTIONS

During the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer which consist of:

- (i) the Commercial Factoring Agreement pursuant to which the Group provided commercial factoring services to the Customer;
- (ii) the 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;
- (iii) the 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;
- (iv) the Consultancy Service Agreement I pursuant to which the Group provided management consultancy services to the Customer;
- (v) the Consultancy Service Agreement II pursuant to which the Group provided management consultancy services to the Customer; and
- (vi) the Entrusted Loan Agreement in relation to an entrust loan arrangement between the Customer, the Group and a bank in the PRC.

REASONS FOR THE FACTORING FINANCING AMENDMENT AND EXTENSION AGREEMENT AND THE PREVIOUS TRANSACTIONS

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 financial 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 Commercial Factoring is an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of commercial factoring services in the PRC. Chinlink Guarantee is also 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 Factoring Financing Amendment and Extension Agreement and the Previous Transactions were entered into in the ordinary and usual course of business of the Group. The terms of the Factoring Financing Amendment and Extension Agreement and the Previous Transactions were negotiated between the Group and the Customer on an arm's length basis with reference to prevailing market rates and terms for similar arrangements and the scope of services providing to the Customer.

Taking the above into account, the Board is of the view that the terms of the Factoring Financing Amendment and Extension Agreement and the Previous Transactions are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Factoring Financing Amendment and Extension Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, during the twelve months period immediately prior to entering into the Factoring Financing Amendment and Extension Agreement, the Group had entered into the Previous Transactions with the Customer. When aggregating the Previous Transactions with the Factoring Financing Amendment and Extension Agreement certain percentage ratios exceed 5% but less than 25%, and hence the entering into of the Previous Transactions together with the Factoring Financing Amendment and Extension Agreement 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:–

“Board”	the board of Directors
“Chinlink Commercial Factoring”	陝西普匯中金商業保理有限公司 (Shaanxi Chinlink Commercial Factoring Limited [#]), a company established as a wholly foreign-owned company in the PRC and 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

“Commercial Factoring Agreement”	the factoring agreement dated 20 August 2019 entered into between Chinlink Commercial Factoring and the Customer in relation to a commercial factoring arrangement with recourse for an amount of up to RMB17.0 million (equivalent to approximately of HK\$18.9 million) for the period commencing on 20 August 2019 and ending on 26 November 2019 at 8% interest rate per annum
“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
“Consultancy Services Agreement I”	the consultancy services agreement dated 26 September 2019 and entered into between Chinlink Guarantee and the Customer in relation to the provision of management consultancy services in respect of logistics system appraisal at the consideration of RMB240,000 (equivalent to approximately of HK\$266,400) for a term of approximately 12 months
“Consultancy Services Agreement II”	the consultancy services agreement dated 27 September 2019 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 12 months at the consideration of RMB90,000 (equivalent to approximately of HK\$99,900)
“Customer”	陝西匯景實業科技發展有限公司 (Shaanxi Hui Jing Industry Technology Development Company Limited#)
“Director(s)”	the director(s) of the Company from time to time
“Entrusted Loan Agreement”	the entrusted loan agreement dated 29 January 2019 and entered into between Chinlink Guarantee (as principal), the Customer (as the borrower) and a bank (as the trustee) in the PRC for a term of approximately 12 months, whereby the bank as the trustee was appointed by Chinlink Guarantee to grant a loan with a principal amount of RMB15.0 million to the Customer (equivalent to approximately of HK\$16.7 million) on behalf of Chinlink Guarantee at 11% interest rate per annum

“Factoring Financing Amendment and Extension Agreement”	the amendment and extension agreement dated 21 November 2019 and entered into between Chinlink Commercial Factoring and the Customer in relation to the extension of the Commercial Factoring Agreement for a period of about twelve months and reduction of principal from RMB17.0 million (equivalent to approximately of HK\$18.9 million) to RMB15.3 million (equivalent to approximately of HK\$17.0 million)
“Guarantee Agreement I”	the guarantee agreement dated 26 September 2019 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 RMB4.0 million (equivalent to approximately of HK\$4.4 million) for a term of approximately 12 months for a guarantee fee of RMB 40,000 (equivalent to approximately HK\$44,400)
“Guarantee Agreement II ”	the guarantee agreement dated 27 September 2019 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 RMB6.0 million (equivalent to approximately of HK\$6.7 million) for a term of approximately 12 months for a guarantee fee of RMB 60,000 (equivalent to approximately HK\$66,600)
“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
“Previous Transactions”	collectively, the transactions contemplated under the Entrusted Loan Agreement, the Consultancy Services Agreement I, the Consultancy Services Agreement II, the Guarantee Agreement I, the Guarantee Agreement II and the Commercial Factoring 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, 21 November 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.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.11. 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.