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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

THE ENTRUSTED LOAN AGREEMENT

On 23 March 2021, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company), the Customer and the Administrative Agent entered into the Entrusted Loan Agreement, pursuant to which Chinlink Guarantee (as the lender) agreed to lend and the Customer (as the borrower) agreed to borrow the Entrusted Loan with principal amount of RMB4.0 million (equivalent to approximately HK\$4.78 million) for a period of twelve months. The Administrative Agent acting as the management agent will monitor the timely repayment of the Entrusted Loan by the Customer but will not assume any risk associated with the Entrusted Loan. The management fee payable to the Administrative Agent shall be borne by the Customer. During the twelve months period immediately prior to entering into the Entrusted Loan Agreement, the Group had entered into the Supplemental Guarantee and Consultancy Services Agreement with the Customer.

LISTING RULES IMPLICATIONS

The entering into of the Entrusted Loan Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Supplemental Guarantee and Consultancy Services Agreement with the Entrusted Loan Agreement, it will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Supplemental Guarantee and Consultancy Services Agreement together with the Entrusted Loan Agreement constitutes 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*

On 23 March 2021, Chinlink Guarantee (an indirect non-wholly-owned subsidiary of the Company), the Customer and the Administrative Agent entered into the Entrusted Loan Agreement, pursuant to which Chinlink Guarantee (as the lender) agreed to lend and the Customer (as the borrower) agreed to borrow the Entrusted Loan with principal amount of RMB4.0 million (equivalent to approximately HK\$4.78 million) for a period of twelve months. The Administrative Agent acting as the management agent will monitor the timely repayment of the Entrusted Loan by the Customer but will not assume any risk associated with the Entrusted Loan. The management fee payable to the Administrative Agent shall be borne by the Customer.

During the twelve months period immediately prior to entering into the Entrusted Loan Agreement, the Group had entered into the Supplemental Guarantee and Consultancy Services Agreement with the Customer.

Other details of the Entrusted Loan Agreement are set out below.

The Entrusted Loan Agreement

Date

23 March 2021

Parties

(i) Chinlink Guarantee;

(ii) the Customer; and

(iii) the Administrative Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Customer and its major ultimate beneficial owner, i.e. 唐居龍(Tang Ju Long[#]) (who owns 90% equity interests of the Customer), are third parties independent of the Company and its connected persons; (ii) the Customer is principally engaged in property development, leasing and management, and operation of warehouse and logistics centres in Xi'an City, Shaanxi Province, the PRC; and (iii) the Administrative Agent is a financial institution in the PRC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Terms of the Entrusted Loan

The Entrusted Loan period shall commence from 23 March 2021 and end on 22 March 2022. In respect of the above arrangements, Chinlink Guarantee shall charge the Customer interest at the rate of 7% per annum which is payable on 22 March 2022.

Counter-guarantee

The obligation of the Customer under the Entrusted Loan Agreement is secured by (i) the personal guarantees granted by the Individual Guarantors; and (ii) a corporate guarantee granted by the Corporate Guarantor, in favour of Chinlink Guarantee.

REASONS FOR THE ENTRUSTED LOAN AGREEMENT

The Company is an investment holding company. The Group is principally engaged in property investment, trading, provision of financial guarantee services, financial advisory services and logistics services in the PRC and Hong Kong.

Chinlink Guarantee is currently an indirect non-wholly-owned subsidiary of the Company principally engaged in the provision of financing guarantee services, provision of consultancy services and provision of entrusted loans in the PRC. The Entrusted Loan Agreement is entered into in the ordinary and usual course of business of the Group. The terms of the Entrusted Loan Agreement were negotiated among Chinlink Guarantee and the Customer on an arm's length basis with reference to prevailing market rates and terms for similar entrusted loan arrangements providing to the Customer under the impact of Coronavirus Disease 2019 outbreak.

Taking the above into account, the Board is of the view that the terms of the Entrusted Loan Agreement 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 entering into of the Entrusted Loan Agreement on its own does not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However, when aggregating the Supplemental Guarantee and Consultancy Services Agreement with the Entrusted Loan Agreement, it will result in certain percentage ratios exceeding 5% but below 25%, and hence the entering into of the Supplemental Guarantee and Consultancy Services Agreement together with the Entrusted Loan Agreement constitutes 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:–

“Administrative Agent”	西安聚華網路小額貸款有限公司 (Xi’an Ju Hua Online Financial Limited#)
“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 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 main board of 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 2 April 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 about twelve months at the total consideration of RMB60,000 (equivalent to approximately HK\$71,640), which is payable by twelve equal instalments of approximately RMB5,000 each (equivalent to approximately HK\$5,970)
“Corporate Guarantor”	陝西先創動力科技有限公司 (Shaanxi Xian Chuang Dong Li Technology Company Limited#), a company incorporated in the PRC. Its major ultimate beneficial owners are 姚池 (Yao Chi#) and 李棟 (Li Dong#), who own 50% equity interest of the Corporate Guarantor respectively. The Corporate Guarantor and its major shareholders are third party independent of the Company and its connected persons
“Customer”	西安德萬通商業運營管理有限公司 (Xi’an Dewantong Commercial Operation and Management Company#)
“Director(s)”	the director(s) of the Company from time to time

“Entrusted Loan”	the loan with principal amount of RMB4.0 million (equivalent to approximately HK\$4.78 million) for a period commencing on 23 March 2021 and ending on 22 March 2022 at 7% interest rate per annum to be lent by Chinlink Guarantee and to be borrowed by the Customer in accordance with the Entrusted Loan Agreement
“Entrusted Loan Agreement”	the entrusted loan agreement dated 23 March 2021 and entered into among Chinlink Guarantee, the Customer and the Administrative Agent in relation to the provision of an Entrusted Loan
“Group”	the Company and its subsidiaries
“Guarantor 1”	白瑞俠 (Bai Rui Xia [#]), the legal representative of the Customer and the spouse of Guarantor 2, who is a third party independent of the Company and its connected persons
“Guarantor 2”	詹擁軍 (Zhan Yong Jun [#]), who is the spouse of Guarantor 1 and a third party independent of the Company and its connected persons
“Guarantee Agreement”	the Leverage Guarantee Agreement dated 2 April 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 HK\$4.78 million) for a term of about twelve months for a total guarantee fee of RMB40,000 (equivalent to approximately HK\$47,760), repayable by twelve equal instalments of approximately RMB3,333 each (equivalent to approximately HK\$3,980). The obligation of the Customer under the Guarantee Agreement was secured by (i) the personal guarantees granted by the Individual Guarantors; and (ii) the corporate guarantee granted by the Corporate Guarantor, in favour of Chinlink Guarantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Guarantors”	collectively, the Guarantor 1 and Guarantor 2

“Leverage Guarantee Agreement”	financial guarantee agreement for which Chinlink Guarantee is required to just place a small portion of the subject bank loan amount as bank deposit to the lending bank as security of the bank loan to be granted to customers. As the lending bank takes up most of the default risk, it would be more difficult and take longer processing time for the customer to get the bank approval and therefore, Chinlink Guarantee will charge the customer a lower consultancy fee rate
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Guarantee and Consultancy Services Agreement”	the supplemental agreement dated 27 March 2020 and entered into among Chinlink Guarantee, the Customer, the Individual Guarantors and the Corporate Guarantor, in relation to (i) the extension of the guarantee period under the Guarantee Agreement for a period of about twelve months; and (ii) the extension of the management consultancy services period under the Consultancy Services Agreement for a period of about twelve months, at the total consideration of RMB100,000 (equivalent to approximately HK\$119,400), repayable by twelve equal instalments of approximately RMB8,333 each (equivalent to approximately HK\$9,950). The personal guarantees granted by the Individual Guarantors and the corporate guarantee granted by the Corporate Guarantor in favour of Chinlink Guarantee under the Guarantee Agreement were extended accordingly
“%”	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, 23 March 2021

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; 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\$1.194. 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.