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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2024 ANNUAL REPORT

Reference is made to the annual report of Chinlink International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) for the year ended 31 March 2024 (the “**2024 Annual Report**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the 2024 Annual Report.

As disclosed in the 2024 Annual Report, the auditors of the Company, HLB Hodgson Impey Cheng Limited (the “**Auditors**”), expressed a disclaimer of opinion on the Company’s consolidated financial statements for the year ended 31 March 2024 regarding material uncertainties related to going concern (the “**Disclaimer**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide further information to the shareholders and potential investors of the Company in relation to the Disclaimer as follows:

The Management’s Position on Auditors’ Major Judgmental Areas in relation to the Disclaimer

As of the date of the Auditors’ Report, the management of the Group agreed with the Auditors on each of the major judgmental areas in relation to the Disclaimer.

Audit Committee’s View

As of the date of the Auditors’ Report, the audit committee of the Company (the “**Audit Committee**”) agreed and concurred the same view with the management’s position concerning each of the Auditors’ major judgmental areas in relation to the Disclaimer.

** For identification purpose only*

Corporate Governance

In accordance with code provision D.1.3 of the Corporate Governance Code, the Board would like to supplement on its corporate governance report as follows:

As set out in note 1 to the consolidated financial statements of the 2024 Annual Report, the Group incurred a net loss from continuing operations and net loss for the year ended 31 March 2024 of approximately HK\$385,126,000. As of 31 March 2024, the Group had net current liabilities of approximately HK\$1,454,031,000, while its bank balances and cash amounted to approximately HK\$7,606,000 only as at 31 March 2024. In addition, the Group had outstanding borrowings and bonds of approximately HK\$1,256,286,000 and HK\$266,363,000 respectively which were repayable on demand or due for repayment or renewal in the next twelve months after 31 March 2024.

The Group has defaulted in repayment of principals and interest of borrowings and bonds of approximately HK\$178,348,000 and HK\$40,278,000 respectively as at 31 March 2024, as a result the carrying amounts of the defaulted borrowings and bonds of approximately HK\$930,092,000 and HK\$163,988,000 respectively as at 31 March 2024 were repayable on demand as at 31 March 2024. The default of these borrowings and bonds triggered cross default of another borrowing, approximately HK\$17,713,000 as at 31 March 2024, which was originally due for repayment in December 2024. The bank and financial institutions are contractually entitled to request for immediate repayment of the outstanding borrowings and bonds of approximately HK\$947,805,000 and HK\$163,988,000 respectively as at 31 March 2024. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Group has prepared a forecast covering a period of 15 months from the end of the reporting period taking into account of the measures and the refinancing plans disclosed in Note 1 to the consolidated financial statements of the 2024 Annual Report. The Board considers that subject to the successful implementation of the measures and refinancing plans, the Disclaimer will not have any significant impact on the daily operations of the Group. For the same reasons, the Directors are of the opinion that the Group will have sufficient working capital and hence it is appropriate to prepare the Group's consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements of the 2024 Annual Report.

Communications have been conducted between the Audit Committee and the Auditors to discuss the Disclaimer and the audit procedures during the audit. The Audit Committee has reviewed the facts and circumstances leading to the conclusion of the Board and fully understood the reasons for the Disclaimer. The members of the Audit Committee have no disagreement with the basis of the Disclaimer and the management's position concerning the Disclaimer as set out in the 2024 Annual Report. Assuming the measures and the refinancing plans in the forecast can be successfully implemented as scheduled and there are no other material adverse changes to the business operation and financial conditions of the Group, the Auditors will consider to remove the Disclaimer in next year's audit report.

The above supplemental information provided in this announcement does not affect other information contained in the 2024 Annual Report and, save as disclosed above, the content of the 2024 Annual Report remain unchanged.

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

Hong Kong, 20 August 2024

As at the date of this announcement, the Board comprises of two executive Directors, namely Mr. Li Weibin and Mr. Siu Wai Yip; a non-executive Director, namely Mr. Lam Wing Yiu; and three independent non-executive Directors, namely Dr. Ho Chung Tai, Raymond, Ms. Lai Ka Fung, May and Ms. Chan Sim Ling, Irene.