

18 February 2015



CHINLINK INTERNATIONAL HOLDINGS LIMITED

(Stock code: 0997.HK)

**Chinlink Acquired Xi'an Property Development and Management Company
At a Total Consideration of HK\$800 Million
Accelerating the Expansion of Logistics and Financial Guarantee Business**

[18 February 2015 - Hong Kong] **Chinlink International Holdings Limited** ("Chinlink" or the "Company", stock code: 0997.HK) and its subsidiaries (collectively the "Group") is pleased to announce that Esteemed Zone Limited, the Group's wholly-owned subsidiary, has entered into a conditional Sales and Purchase Agreement with Sino Virtue Holdings Limited. Accordingly, the Group agreed to purchase 100% of the issued share capital of E-Innovation Limited with a total consideration of HK\$800,000,000 (the "Acquisition"). Upon completion of the Acquisition, E-Innovation Limited will become the Group's wholly-owned subsidiary, while the Group will indirectly hold a total of 73.375% of equity interest in Xi'an Tang Rong Real Estate Limited (the "Property Development Company") and Xi'an Da Ming Gong Ba Qiao Furniture and Fixture Limited (the "Property Management Company").

The Acquisition functioned as an extension to the Group's current logistics and financial guarantee business. The principal asset includes the land and a commercial complex (the "Property") located in the eastern district of Xi'an City. The land has a total site area of 58,698 square metres and will be developed into two phases. The first phase of development including a shopping mall building with a total gross floor area of approximately 190,000 square metres, and comprising seven-storey above ground and two basement floors (the "Commercial Complex"), has been completed in April 2012. There are over 600 shop spaces of various sizes. As at 18 February 2015, the occupancy rate of the Commercial Complex is approximately 91.54%. The majority of the shops/tenants are wholesalers and retailers of interior building materials and home improvement products who need the warehouse and transport operation services for business operation. They can, thereby, pledge their inventory for the financing guarantee services in order to obtain sufficient working capital to run their business. The second phase of development has a gross floor area of approximately 119,000 square metres, which is expected to

commence in the second quarter of 2015 and be completed in the second quarter of 2016. The Group plans to develop a new integrated commercial complex comprising a shopping mall, apartments and carparks to serve customers' needs. The shopping mall will be an extension of the existing Commercial Complex targeting customers as those of the existing Commercial Complex. The Group's current intention is to retain the commercial complex for lease to generate rental income. In the future, the Group may also consider to sell certain portion of the commercial complex.

The Property is located at one of the most prosperous districts in Xi'an City, the capital city of Shaanxi Province. Riding on the high economic growth driven by the PRC's continuous emphasis on the development of northwestern China, the New Silk Road Economic Belt Programme and the growing urbanisation of the surrounding regions, the Group considers that the Commercial Complex can be further developed into a leading base in Xi'an City for wholesale distribution and retail of interior building materials, home improvement and furnishing products. Moreover, the Group plans to upgrade the Commercial Complex by introducing new international reputable branded product distributors and optimise the tenant mix to enhance its market status and earning potential. On the other hand, in line with the Group's new array into e-commerce operation, certain area of the Commercial Complex will be converted into an Online to Offline platform, acting as a showcase window to improve online customers' experience and engagement, and to create new sales channel for the tenants of the Commercial Complex.

The Group currently provides integrated logistics services to clients in the trade and distribution centres for building materials and home furnishing products in Xi'an, in which services are supported by the Group's IT system including warehouse management system, transportation management system and logistics management system. In September 2014, the Group further launched iHome E-Commerce Platform to sell packaged interior fitting materials and furnishing products. The Group believes that the e-commerce platform not only can be complementary to the Group's logistics business, but also further contribute and broaden the Group's revenue. In addition, the Group's "Chinlink · Worldport" Integrated Logistics Park project (the "Chinlink · Worldport"), located in Baohe Logistics Zone, Hantai District, Hanzhong City, Shaanxi Province, China, had officially launched on 3 December 2014 and its first phase is scheduled to be in operation before the end of 2015. The Chinlink · Worldport will include a building material distribution and trade centre fully equipped with storage and truck loading facilities and other ancillary facilities, such as apartments, restaurants and office buildings. The Group is actively setting up bonded warehouses and supervised warehouses in the Chinlink · Worldport with supporting customs clearance service to handle import and export and bonded logistics. The Chinlink · Worldport and the Property will generate income from sales of properties, rental income, management fee income and logistics services income.

Mr. Siu Wai Yip, Executive Director of Chinlink, said, “the Acquisition provides a great opportunity for the Group to diversify its trade and distribution centre operation base, while complementing to the Group’s existing business in relation to the trading of furniture and fixtures, financing guarantee business and logistics business. We believe that the Acquisition can accelerate the growth of our logistics business and broaden our customer base for the financing guarantee business and logistics business in Shaanxi Province. The Acquisition will bring synergy effect of those businesses and stable income stream from rental and management fees, thus further strengthen the Group’s new business positioning and revenue source in the future. Looking forward, Chinlink will continue seeking for opportunities actively that can create synergy effect to the existing businesses in order to expand the Group’s revenue base and be in the best interest of the Group and the Shareholders as a whole.”

-End-

About Chinlink International Holdings Limited

Chinlink International Holdings Limited engages in the provision of interior decoration work, including interior design and renovation services, and the trading of furniture and fixtures in Hong Kong and Macau. The Company has also successfully rolled out financing guarantee services (including financing guarantee services and relevant consultancy services) and logistics services, together with the provision of other value-added service. In September 2014, the Company had launched the iHome E-Commerce Platform to commence the e-commerce business.

This press release is issued by DLK Advisory Limited on behalf of **Chinlink International Holdings Limited**.

For enquiries, please contact:

Chinlink International Holdings Limited

Joanne Lee

Corporate Development Director

Tel: +852 2168 0778

Email: joannelee@chinlinkint.com

Website: www.chinlinkint.com

Rebecca Chan

Corporate Communications Manager

Tel: +852 2168 0799

Email: rebeccachan@chinlinkint.com

Website: www.chinlinkint.com

DLK Advisory Limited

Mona Chow (monachow@dlkadvisory.com)

Chermaine Chan (chermainechan@dlkadvisory.com)

Tel: +852 2857 7101