



CHINLINK INTERNATIONAL HOLDINGS LIMITED
(Stock code: 0997.HK)

Announces Interim Results 2013/14
Repositioning as an Integrated Finance and Logistics Services Provider

Financial Summary

<i>Six months ended 30 September (unaudited)</i>	<i>2013 HK\$ million</i>	<i>2012 HK\$ million</i>	<i>Change</i>
Revenue	39.2	81.0	-51.6%
Cost of sales and services	(27.3)	(68.6)	-60.3%
Gross profit	12.0	12.4	-3.4%
Gross profit margin	30.5	15.3	+15.2pp
(Loss) for the period	(31.9)	(6.8)	-
(Loss) per share (HK cents)	(1.76)	(0.42)	-

[26 November 2013 – Hong Kong] **Chinlink International Holdings Limited** (“Chinlink” or the “Company”, stock code: 0997.HK) announces the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2013 (the “Period”).

For the Period, the Group’s unaudited consolidated revenue decreased by 51.6% to HK\$39.2million (2012: HK\$81.0million); Gross profit, however, decreased by only 3.4% year-on-year to HK\$12.0million and gross profit margin improved from 15.3% to 30.5%. This was because the two new highmargin businesses, namely the financing guarantee services and the logistics services, made a solid contribution to the Group during the Period. However, the Group still recorded a loss attributable to owners of the Company of HK\$31.9million which was mainly due to the decline in interior decoration work and trading of furniture and fixtures businesses, the substantial increase in finance costs to HK\$17.8million and the share option expenses of HK\$6.6million.

The Group is currently repositioning itself as an integrated finance and logistics services provider to address the shortage of financing channels for the small-and-medium enterprises in Shaanxi

Province, China. Since March 2013, the Group has started providing logistics management and consulting services in Xi'an City, bringing to the Group a new revenue stream of HK\$3.5 million for the Period. In May 2013, the Group engaged Hong Kong Logistics Technology & System Limited to develop an integrated logistics management information system ("Chinlink LMIS") for the distribution centers and logistic parks operated by the Group. Chinlink LMIS is for efficient logistics management and real time information on critical logistics information including inventory management and transportation status. It will also provide a powerful database on the clients' activities for the Group's analysis and customisation of financial and logistics services to the clients. The system will also be an effective tool for the Group's financing guarantee services in monitoring the clients' inventory collateral value and undertaking risk management.

In August 2013, the Group obtained an official license from the financial affairs office of Shaanxi Province to provide financing guarantee service in Shaanxi Province. As of September 2013, it has already built up a guarantee portfolio of RMB145.6 million and incomes comprising of guarantee fee and consulting fee of HK\$1.5 million was recorded as revenue in September 2013.

Regarding the development of a self-owned modern logistics park (the "Park") in Hanzhong City, Shaanxi Province, the expropriation and auction process of the land for the first phase of the Park is in good progress and it is expected to be completed by the last quarter of this financial year. The first phrase of the Park will occupy 466 acres of land of which is well-connected with highways and railroad systems, featuring various product marketplace, warehouses and other logistics supporting facilities. The one-stop financing and logistics services solution shall also be in position.

Mr. Li Weibin, Chairman of the Group, comments: "Among all the new businesses that the Group has developed, the logistics service is the first to contribute revenue since March 2013 and also recorded a significant increase in revenue for the Period. With the new financing guarantee business and other logistics services in place and started contributing revenue in September 2013, we are confident that there will be a greater contribution from these new segments in the second half of this financial year. We will also accelerate the business expansion by launching Chinlink LMIS by the end of 2013 to provide a more comprehensive value-added logistics services to the tenants and to start the construction of the Park soon, targeting an initial operation by mid-2014."

About Chinlink International Holdings Limited

Chinlink International Holdings Limited is currently engaged 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 Group is also expanding into financial and logistics services and the provision of related value-added services.

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

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