



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

Announces Interim Results 2012/13
Repositioned as an Integrated Finance and Logistics Services Provider

Financial Highlights

<i>Six months ended 30 September (unaudited)</i>	<i>2012 HK\$ million</i>	<i>2011 HK\$ million (restated)</i>	<i>Change</i>
Continuing operations			
Revenue	81.0	78.9	+2.7%
Cost of sales and services	(68.6)	(45.2)	+51.8%
Gross profit	12.4	33.7	-63.2%
(Loss) profit for the period from continuing operations	(6.8)	6.9	+ to -
Discontinued operations			
Profit for the period from discontinued operations	--	3.3	--
(Loss) profit for the period for the group	(6.8)	10.1	+ to -
(Loss) earnings per share (HK cents)			
From continuing and discontinued operations	(0.42)	0.65	+ to -
From continuing operations	(0.42)	0.43	+ to -

[27 November 2012 – Hong Kong] **Chinlink International Holdings Limited** (“Chinlink” or the “Company”, stock code: 0997.HK) announces the interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2012 (the “Period”).

Subsequent to the organisational and business restructuring completed in January 2012, Chinlink became principally engaged in the provision of interior decoration works, including interior design and renovation services, and the trading of furniture and fixtures in Hong Kong and Macau. The Company is also expanding into the development and operation of trade and logistics centres in the People’s Republic of China (the “PRC”).

For the Period, the Group's unaudited consolidated revenue increased by 2.7% to HK\$81.0 million (2011: HK\$78.9 million); whilst gross profit decreased by 63.2% to HK\$12.4 million (2011: HK\$33.7 million). Loss from continuing operations for the Period was HK\$6.8 million (2011: profit of HK\$6.9 million), representing a decrease of HK\$13.7 million. The decrease was mainly due to sharp drops in the gross profit margin of both interior decoration work and the trading of furniture and fixtures which was partially compensated by the decrease in operating expenses.

Amid the uncertainties of the global economy and the decelerating GDP growth in the PRC, the pace of new retail shop openings in Hong Kong and Macau have slowed down considerably, hence spending on interior renovations for hotels and retail shops have also diminished during the Period. **Mr. Li Weibin, Chairman of the Company**, said: "inflating costs pressure and the continuous appreciation of the Renminbi ("RMB") have dragged down the gross profit margin for both the interior decoration work and the trading of furniture and fixtures segments. Looking forward, the Board believes the operating context for our existing businesses will remain tough in the second half of the financial year. Nonetheless, the Group has strengthened our sales force, and deployed further cost-cutting measures and flexible procurement strategies during the Period to protect our margins and profitability."

The Group has been exploring business opportunities in China since early this year. Strategically based in Shaanxi Province, an important logistics hub connecting the north-western part of China under the nation's economic development policy, the Group has successfully tapped into the region's business of trade and logistics centres. To differentiate from operators of traditional logistics centres, Chinlink will define its business as an integrated finance and logistics services provider by offering one-stop logistics, information and financial services to the tenants. This new business model aims to improve the tenants' overall efficiency in their supply chain and money flow and to achieve better profitability.

Following the strategic agreement signed with Hanzhong Government to develop a building material wholesale and logistics centre in Hanzhong City in August 2012, the Group has also entered into strategic agreements with various existing trade and logistics centres and a financial institution in Xi'an City in October 2012 to provide finance and logistics advisory services business. In addition, two memorandum of understanding were signed with the financial affairs office of Hanzhong City in November 2012 in relation to the development of a financial services business. These projects will allow the Group to accumulate relevant experience in the operation and management of trade and logistics centres, so as to prepare for the opening of the integrated financial and logistics services centre in Hanzhong City in the near future.

Mr. Li Weibin comments: “With the development of our new business in Shaanxi Province fully underway, Chinlink intends to reposition itself as an integrated finance and logistics services provider in the near future and believes that such move can diversify its income base and improve profitability in the long-run.”

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 Company is also expanding into the development and operation of trade and logistics centres and the provision of other 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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