



CHINLINK INTERNATIONAL HOLDINGS LIMITED
(HKSE Stock Code: 0997)

Announces 2014/15 Annual Results
Diversify into Internet Finance and E-Commerce
Create Synergies with Existing Financial Logistics Business

Financial Summary

<i>Year ended 31 March</i>	2015 <i>HK\$ million</i>	2014 <i>HK\$ million</i>	Change
Revenue	247.5	151.7	+63.2%
Gross profit	50.9	41.0	+24.0%
Gross profit margin	20.6%	27.0%	-6.4p.p.
(Loss) for the Year	(80.2)	(90.3)	-
(Loss) per share (HK cents)	(3.65)	(4.87)	-

[26 June 2015 – Hong Kong] **Chinlink International Holdings Limited** (the “Company” or “Chinlink”, HKSE Stock Code: 0997) announces the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2015 (the “Year”).

For the Year, the Group’s revenue surged by 63.2% to HK\$247.5 million (2014: HK\$151.7million), mainly attributable to the growth in financing guarantee income, interior decoration work income and international trading income. Gross profit for the Year increased by 24.0% to HK\$50.9 million (2014: HK\$41.0 million), whereas gross profit margin dropped from 27.0% to 20.6%. The decline was mainly due to the addition of our new international trading business which had a relatively low gross profit margin, but contributed significantly to revenue and cash flow. Excluding this trading business segment, the gross profit margin of the rest of the businesses remains stable. The Group recorded a loss attributable to shareholders of HK\$80.2 million, representing a decline in losses (2014: a loss of HK\$90.3 million). The loss was mainly due to the finance costs of 7.5% convertible bonds and 8.0% coupon bonds issued in August 2013 and October 2014 respectively, as well as the increase in

selling and distribution costs and administrative expenses. However, all of the increased expenses were in line with our business growth.

The Group has committed to establish a comprehensive financial logistics services platform, mainly in Shaanxi Province, China. Starting by the setup of our first logistics operation base in the DMG Building Materials Trade and Distribution Center in Xi'an, followed by the development of "Chinlink · Worldport" Integrated Logistics Park (the "Chinlink · Worldport"), the Group's first integrated logistics park located in Hanzhong Baohe Logistics Park, and the acquisition of a shopping mall for interior building materials, home improvement and furnishing products in Xi'an, the Group has successfully established a sizable base of small and medium enterprises (SMEs) customers for our logistics and financial services businesses. Together with the support of the Chinlink Logistics Management Information System, the Group now provides a one-stop solution including supply chain management, warehouse management and logistics services to our tenants. This enables the Group to secure a stable revenue for the future years.

Building a Comprehensive Online and Offline Financing Platform

The Group has made a big step forward in building an online plus offline financing platform with the aim to cater for the different financing demands of China SMEs. In May 2015, the Group has successfully obtained approval from the Shaanxi Business Bureau to operate our finance lease business nation-wide. In June 2015, the Group entered letter of investment intent with a Shenzhen based peer-to-peer (P2P) lending company to subscribe for 10% equity interest. This strategic investment is a unique opportunity for the Group to enter into the Internet Finance market, and to diversify our product mix. The online plus offline financing model provides a more comprehensive financial offerings to SMEs in China who are still largely deprived of fair and equal opportunities to obtain financial assistance from banks. Combining logistics services and financing as a total offering is a unique proposition to our clients, the Group resolves both their operational and funding difficulties.

Tapping into the Cross-border E-commerce Business

On 17 June 2015, the Group also entered a memorandum of understanding with a duty free retail operator in Hong Kong to set up a cross-border e-commerce joint venture, which targets online sales of duty free affordable luxury goods of international brands to Chinese consumers. The Group owns 55% issued share capital of this Joint Venture which will be launched before the end of this year. We anticipate this new venture will also bring in additional logistics and consumer finance businesses to the Group.

Mr. Siu Wai Yip, Executive Director of the Group, comments, "Currently, the Chinese Government puts a lot of emphasis on the implementation of an "inclusive financing system 普惠金融", aiming to

provide fair and equal access to financial services for all walks of people, especially SMEs. Additionally, the Chinese Government is also strongly advocating the national development strategy of “Internet +” to encourage the implementation of Internet technology in all kinds of conventional businesses, including financial services. Therefore, our online plus offline financing platform not only offers comprehensive solutions for different financing needs of SMEs, but also solidifies the Group’s position as a pioneer in spearheading the Government’s new policy.”

With a rising middle class of increasing disposable income, and the high level of Internet and mobile penetrations, China’s e-commerce industry has been booming in recent years. The Chinese Government, on the other hand, has also been advocating its support for cross-border e-commerce as a key step to boost domestic consumption and to balance international trade. Against such favorable background, the Group is confident that the new cross-border e-commerce joint venture will be a cornerstone of the Group’s e-commerce business success. With the Xi’an DMG Building Materials Trade and Distribution Center, Chinlink · Worldport and the newly acquired shopping mall, the Group has already built a solid foothold in Shaanxi Province, which has put us in a favorable position to benefit from China’s Silk Road Economy development program. Leveraging on the Group’s strategic geographical positioning and the unique business model that is in line with China’s development priorities, the Group is confident in achieving steady growth and maximum returns for our shareholders in the coming years.

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About Chinlink International Holdings Limited

Chinlink International Holdings Limited is a listed company on the Main Board of Hong Kong Stock Exchange (Stock Code: 0997). Chinlink engages in the business of Interior Decoration Work and Trading of Furniture and Fixtures in Hong Kong and Macau. Chinlink also serves as a Supply Chain Financial Logistics service provider and is committed to develop the three main businesses of Finance, Logistics and E-commerce in China bringing one-stop solutions to customers. For business particulars, please visit www.chinlinkint.com.

This press release is issued by DLK Advisory Limited on behalf of Chinlink International Holdings Limited. For enquiries, please contact:

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