



CHINLINK INTERNATIONAL HOLDINGS LIMITED
(Stock code: 997.HK)

First Annual Results After the Acquisition

Financial Highlights

For the year ended 31 March	2012 <i>HK\$ million</i>	2011 <i>HK\$ million</i> <i>(restated)</i>	Change
Continuing operations			
Revenue	173.2	167.2	+3.6%
Cost of sales	(119.1)	(95.4)	+24.8%
Gross profit	54.1	71.8	-24.7%
Profit for the year from continuing operations	8.1	14.0	-42.1%
Discontinued operations			
Profit (loss) for the year from discontinued operations	9.7	(26.8)	- to +
Profit (loss) for the year for the group	17.8	(12.8)	- to +
Earnings (loss) per share – basic			
From continuing and discontinued operations	9.10	(5.6)	- to +
From continuing operations	4.04	6.98	-42.1%

[26 June 2012 – Hong Kong] **Chinlink International Holdings Limited** (“Chinlink” or the “Company”, [0997.HK](http://www.chinlink.com)), is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “Group”) for the twelve months ended 31 March 2012 (the “Year”).

On 20 January 2012, Wealth Kepper International Limited, a company wholly-owned by Chairman Mr. Li Weibin (“Mr. Li”), successfully acquired the controlling interest of the Group and became the largest single shareholder. Following the organizational and business restructuring completed in January 2012, the Group officially changed its name to “Chinlink

International Holdings Limited”. With the completion of the distribution of the business (including the manufacturing facilities in China and Thailand and the overseas sales operations), the Group is now principally engaged in interior decoration work, and trading of furniture and fixtures for high end residential properties, hotels, offices and luxury brand stores in Hong Kong and Macau (“Continuing Operations”).

From the Continuing Operations, revenue increased by 3.6% year-on-year to HK\$173.2 million (2011: HK\$167.2 million). Gross profit margin was 31.3% as compared with 43.0% in the previous financial year. Gross margin in the last financial year was higher than average mainly attributed to one lucrative project of very substantial size. Profit from the Continuing Operations decreased by 42.1% or HK\$5.9 million year-on-year to HK\$8.1 million (2011: HK\$14.0 million). The Directors do not recommend the payment of final dividend for the year ended 31 March 2012 (2011: nil).

In terms of revenue, interior decoration work, and trading of furniture and fixtures accounted for 69.9% and 30.1% of the Group’s Continuing Operations for the year ended 31 March 2012, respectively, as compared with 43.1% and 56.9% in the previous financial year. Benefiting from a total of approximately 90 projects compared with approximately 50 in the previous financial year, revenue from the interior decoration work segment surged by 68.0% year-on-year to HK\$121.1 million (2011: HK\$72.1 million). Gross profit margin for the interior decoration segment declined slightly to 22.6% from 23.9% in the previous financial year. Revenue from the trading of furniture and fixtures business decreased by 45.2% year-on-year to HK\$52.1 million (2011: HK\$95.1 million). The significant decline was mainly attributable to the effect of a high margin Ritz Carlton Hotel project in Hong Kong which revenue was mostly booked in the previous financial year, and that no such mega project was obtained in the Year. As a result, the segment’s gross profit margin also decreased from 57.4% in last financial year to 51.5% in current year.

Despite the uncertain global economic outlook, the Group is cautiously optimistic about the future of our high-end interior design and furniture business. Driven by the active housing market in Hong Kong, and the flourishing hotel and retail sectors in both Hong Kong and Macau as a result of a large number of affluent tourists visiting from Mainland China, the demand for high-end interior decoration work for residential, hotels and retail shops is expected to continue. **Mr. Li Weibin, Chairman of the Company**, said: “As at 31 March 2012, the Group has already secured contract of approximately HK\$106 million. As one of the few that have capability and experience to handle large scale projects, the Group will continue to leverage on its talented design team, experience project management skills and

well-built relationship with corporate customers to attain larger market share in the luxurious residential, retail and hotel markets.”

In addition to the existing businesses in Hong Kong and Macau, the Group is actively seeking business opportunities in the PRC. Leveraging on the strong network and connection of Mr. Li in the Shaanxi Province, and its strategic importance as the gateway to the PRC’s northwestern territories, the Group has chosen Shaanxi Province as the base of its mainland expansion. Recently, the Group has initiated the following two major projects in Shaanxi Province:

i) Building and construction materials integrated trade and logistic centre in Hanzhong, Shaanxi Province

On 5 April 2012, the Group announced to exclusively co-develop a building and construction materials integrated trade and logistic center in Hanzhong City with the local government of Hanzhong City, Shaanxi Province, China (the “Hanzhong Government”). The expected site area of the center is 1,200 acres, the project may help diversify the Group’s business and revenue base.

ii) Furniture, interior design and renovation services to the potential real estate developers in Shaanxi Province

The Group announced a strategic cooperation with Royale Furniture Holdings Limited (stock code: 1198.HK) on 6 June 2012. This strategic alliance aims at exploring design-build project based business opportunities with real estate developers in Shaanxi Province to provide house-buyers with a one-stop solution for high quality furniture, interior design and renovation services. The management believes that the cooperation with a renowned PRC furniture brand will help build and enhance the Group’s brand image in the Chinese market, as well as expand new sales channels in the long run.

Mr. Li Weibin, Chairman of the Company, said: “With the establishment of our new businesses in Shaanxi Province, the geographic and business diversification will enable the Group to broaden its revenue streams and to diversify business risks in the future.

About Chinlink International Holdings Limited

Chinlink International Holdings Limited is mainly engaged in providing interior design and renovation services as well as furniture trading business in Hong Kong and Macau.

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

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