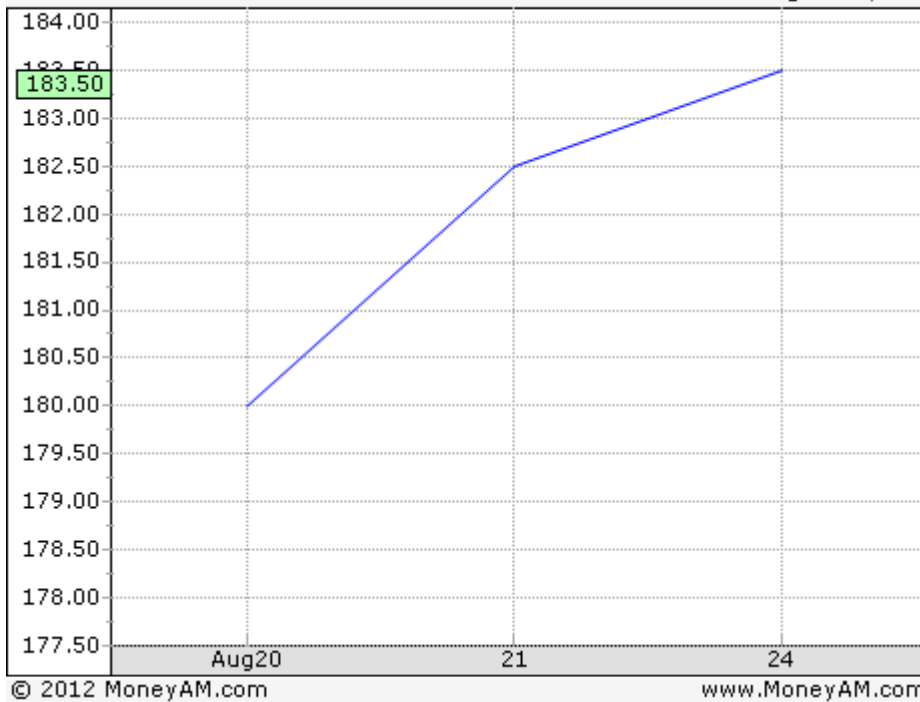


Subject: ChainTek 骏泰联合
Source: The Money AM
Date: 24 August 2012



China Chaintek United Co., Limited

CHINA CHAINTEK UNITED CO., LTD. ORD USD0.0010 (D1) (0.5%) 12 Friday
Prev Close: 182.50 O: 183.50 H: 183.50 L: 183.50 C: 183.50 V: 0 Chg: 1.00(+0.5)



China Chaintek United Co., Ltd, through its operating subsidiary Xingtai Logistics which was founded in 2000, principally provides domestic logistics services to fast moving consumer goods manufacturers in Jinjiang City, Fujian Province, China.

The Group is now one of the largest providers of logistics services to domestic sports shoes and apparel manufacturers in China. The Group has a long-standing client base of over 60 manufacturers based in Fujian Province and six of its top ten clients by revenue in 2011 are publicly listed in Hong Kong, USA, Malaysia or Singapore.

The Group has two business divisions: Logistics Services Business and Inventory Solution Business. Logistics Services Business is focussed on providing logistics connections between the Group's manufacturer client base and their retail markets in the PRC using a network of eight independent Transport Agents.

Efficiencies are achieved for both the Transport Agents and the manufacturers by consolidating the goods of several manufacturers to be delivered to similar destinations at the same time thereby increasing the loading rate on the Transport Agents' trucks and reducing the per unit transportation cost. Inventory Solutions Business is focussed on providing outsourced inventory storage and management services including sorting, packing, labelling and short term storage.

This Inventory Solutions Business was launched in 2010 as the Directors perceived a demand from the Group's existing clients for the provision of the above services which would otherwise be conducted in-house by manufacturers.

Manufacturers in China acknowledge that managing logistics and warehousing continues to be not only a complex, but also a relatively costly, part of operations. Performance can also be hampered by the availability of experienced staff, especially at a managerial level with increasing wages. As a result, the Directors believe these services will reduce warehousing costs of the manufacturers and will assist in retaining excellent relationships with the Group's key clients.