

Client: ChainTek 骏泰联合

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Dow Jones Newswires

China Chaintek United Buys Land Use Right

LONDON--China Chaintek United Co., Ltd. (CTEK.LN), a logistical services firm, said Tuesday it has acquired a Land Use Right, or LUR, relating to a plot of land of 145,600 m² from the Government of China for a total of 273 million Chinese Yuan, including the CNY52.0 million deposit already paid in 2011.

MAIN FACTS:

-Acquisition is in line with Chaintek's strategy of acquiring an LUR on which to construct a new logistics park.

-Plot is located 14 km from the Group's existing operational headquarters in Jinjiang, and is situated in an industrial zone which already houses a number of Chaintek's existing manufacturer customers.

-Consideration of CNY221.0 million (22.1 million pounds), excluding the CNY52.0 million deposit, is payable in three tranches and made from the existing cash balances.

-Company has also recently arranged a bank loan facility of CNY50.0 million; coupon payable on the facility will be determined at the time of drawdown (but would be 6.8% based upon current rates) and is repayable one year after the drawdown.

-Facility has been provided by Bank of China and will be used to provide additional working capital for the Company.

-Shares at 0920 GMT up 1 pence, or 0.42%, at 238 pence valuing the company at GBP129.91 million.

-Write to Ian Walker at ian.walker@dowjones.com