

LINMARK

[For Immediately Release]

LINMARK GROUP LIMITED ANNOUNCES MAIN BOARD LISTING DETAILS

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NEW ISSUE AND OFFER FOR SALE OF 156 MILLION SHARES AT HK\$1.68 PER SHARE

Investment Highlights

- A Well-established Global Sourcing Network with 1,900 Vendors
- A Flexible Modular Business Approach to Maximize Revenue Streams
- One-stop Sourcing Solutions
- Close Relationships with Leading Retail Chains and Brands in North America and Europe
- An Advanced Information Technology System – LOGON (Linmark Online Global Operating Network)
- Proven Track Record

(Hong Kong, April 29, 2002) – Linmark Group Limited (“Linmark”), a fast growing one-stop global sourcing and supply chain management (“SCM”) solutions provider, today announced its proposed listing on the Main Board of the Stock Exchange of Hong Kong Limited..

DBS Asia Capital Limited is the sponsor, SBI E2-Capital (HK) Limited is the co-sponsor. They are also the joint international coordinators and joint bookrunners. Both of them, together with Cazenove Asia Limited are the joint lead managers. The allotment result will be made on May 9, 2002 (Thursday). Dealings in shares of Linmark on the Main Board of the Hong Kong Stock Exchange are expected to commence on May 10, 2002 (Friday). The stock code is 915.

The Main Board listing is to be made through public offer and placing of an aggregate of 156,000,000 shares. Based on the offer price of HK\$1.68 per share, the Group will raise gross proceeds of HK\$262 million (equivalent to USD33.6 million).

Net proceeds of the share offer are estimated to be approximately HK\$188.8 million (equivalent to USD24.2 million) which will be used mainly for marketing and business development, enhancement of the LOGON system, business expansion in developing countries with a focus on the PRC, sourcing network expansion and general working capital and investments.

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Mr Lu-yen Wang, Chairman of Linmark said, “We are delighted to witness this major milestone in the Group’s development. With the widespread knowledge and in-depth experience of our management team, most members of our senior management team have approximately 12 years of experience in the merchandising and trading industry, we are confident that we will continue to sustain a leading position in the global sourcing and SCM industry. Our successful listing on the Main Board will accelerate our business expansion and strengthen customer loyalty to our services.”

Established in 1964 in Taiwan, Linmark currently sources softgoods and hardgoods for retail chain operators, brand names, wholesalers, mail order houses and department stores in North America and Europe. These names include Hudson’s Bay Company, J.C. Penney, Federated Department Stores, Jockey, Brylane, Mothercare, etc. Softgoods refer to apparel, footwear and other related accessories, while hardgoods include toys, furniture, sporting goods, home decorations, houseware, giftware, electrical goods, etc.

The sourcing industry is one of the world’s rapidly growing industries. During the 1990s, international trading activities and GDP both saw continuous and substantial growth. The increases in economic activity have directly stimulated the growth of the sourcing industry. According to market research, apparel sales in the US are expected to increase from USD176.5 billion in 2000 to USD191 billion in 2005. On the other hand, apparel sales in Europe are expected to maintain a strong consumption pattern. Growth is forecasted to continue at an average rate of 3.5% from 2000 to 2002. In particular, demand for SCM solutions in the PRC will increase significantly with the growing affluence of consumers in the country and increasing demand for quality products.

Mr Wang continued, “As the retail market becomes more competitive, enterprises strive for cost-effective solutions to enhance their competitiveness. With our efficient SCM solutions, we benefit our customers with lower operating costs, shorter delivery lead times, higher product quality and higher inventory turnover. Therefore, many retail operators are turning to international sourcing agents to handle their sourcing operations. There will be continuous growth in global outsourcing trends which will provide numerous opportunities for the Group.”

SCM solutions offered by the Group are based on a modular business approach, customers can use a particular service or package within the full SCM service range on a geographical basis. These services include merchandising and order management, quality assurance, social compliance, product development and market intelligence and logistics management. Mr Wang added, "This modular business model has formed unique strengths for Linmark, differentiating us from other sourcing agents in the market. It not only meets the individual needs of customers, but also provides additional income sources for the Group."

To maximize customers' choices and product diversity, Linmark has an extensive and integrated global sourcing network of around 1,900 vendors in 15 countries/territories, with a focus on the PRC and India. These vendors and production sites are monitored and closely coordinated by 14 sourcing offices in 11 countries/territories. Upon receiving orders from customers, the Group selects the appropriate vendors according to the product type, price, quality and delivery requirements. The Group will also carry out pricing and contract term negotiations with vendors to obtain the best returns for customers.

To enhance efficiencies and simplify the order tracking process, the Group developed LOGON system which will connect all the Group's sourcing offices to its headquarters via the Internet. Mr Steven Feniger, CEO of Linmark, said, "customers can now obtain real-time information and data about their orders and track order status, anytime and anywhere via the Internet. This has significantly facilitated smooth communication processes with our customers and vendors. Upon its full implementation in June this year, I believe the LOGON system will be a powerful tool for us, our vendors and customers, lowering telecommunication costs and improving operational efficiencies."

For the three years ended April 30, 1999, 2000 and 2001, the Group recorded shipment volumes of USD361.6 million, USD410.6 million and USD480.1 million respectively, representing a compound annual growth rate (CAGR) of 15.3%. Turnover, which is the Group's commission income based on shipment volumes, for the three years ended April 30, 1999, 2000 and 2001 were USD19.6 million, USD27.2 million and USD32.5 million respectively, representing a CAGR of 28.8%. Net profits for the three years grew rapidly and recorded USD3.1 million, USD9.1 million and USD12.9 million respectively. This represented an impressive CAGR of 103.6%.

Mr Feniger continued, “We are very pleased that the Group has recorded such strong growth through the years. It is also very encouraging that we have been able to maintain net profit margins of over 33% for the years ended April 30, 2000 and 2001. Recently, we obtained a number of new clients including the Warnaco Group and Virginware. Currently, we are the exclusive buying agent for Calvin Klein® Jeans, Calvin Klein® Kids, Chaps by Ralph Lauren® and Speedo®. We believe the ability to expand our customer base will become an important source for growth momentum in the years to come.”

“Our listing on the Main Board of the Hong Kong Stock Exchange marks a significant step in our corporate development. Capitalizing on the escalating global outsourcing trend in the retail industry, we are committed to expanding our customer base while also broadening our vendor network. We are confident that our professional management team will continue to contribute positive returns for our shareholders in the future.” Mr. Feniger concluded.

About Linmark Group Limited

Founded in 1964, Linmark is a fast growing one-stop global sourcing agent and supply chain management solutions provider. The Group provides sourcing solutions to retailers, wholesalers, brand names, mail order houses and department stores, with a focus on North America and Europe. With its experienced management team, extensive global network, modular business model, long-term customer relationships and advanced LOGON system, Linmark is riding on the escalating global outsourcing trend to continue its expansion in the international market.

OFFERING STRUCTURE

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|-------------------------------|--|
| Number of Offer Shares | 156,000,000 Shares (subject to Over-allotment Option) |
| Number of Placing Shares | 140,400,000 Shares, consisting of 109,200,000 New Shares and 31,200,000 Sale Shares (subject to re-allocation and Over-allotment Option) |
| Number of Public Offer Shares | 15,600,000 Shares (subject to re-allocation and Over-allotment Option) |
| Offer Price | HK\$1.68 per share |
| Market Capitalization | HK\$1,048.32 million |
| Prospective P/E multiple | |
| - pro forma fully diluted | Approx. 16.31 times |
| - weighted average | Approx. 13.46 times |

USE OF NET PROCEEDS

Net proceeds, after deducting related expenses, are estimated to be approximately HK\$188.8 million.

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|---|------------------|
| Marketing and Business Development | HK\$70.2 million |
| Enhancement of LOGON system | HK\$19.5 million |
| Business Expansion in developing countries, such as the PRC | HK\$11.7 million |
| Sourcing Network Expansion | HK\$15.6 million |
| General Working Capital and Investments | HK\$71.8 million |

TRADING RECORD

The following is a summary of the combined audited results of Linmark Group Limited for the three fiscal years 1999, 2000 and 2001:

| | For the six | For the years ended April 30 | | | CAGR |
|-------------------|---------------|------------------------------|---------------|---------------|--------|
| | months ended | 2001 | 2000 | 1999 | |
| | Oct 30, 2001 | 2001 | 2000 | 1999 | |
| | (USD million) | (USD million) | (USD million) | (USD million) | |
| Shipment Volume | 260.0 | 480.1 | 410.6 | 361.6 | 15.3% |
| Turnover | 16.0 | 32.5 | 27.2 | 19.6 | 28.8% |
| Net Profit | 5.7 | 12.9 | 9.1 | 3.1 | 103.6% |
| Net Profit Margin | 35.8% | 39.6% | 33.3% | 15.9% | N/A |

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