

## **Linmark Signs New Customers And Strengthens Management In Anticipation of Further Expansion**

(Hong Kong – June 1, 2003) **Linmark Group Limited** (“Linmark” or the “Group”) (stock code: 915), a fast growing one-stop global sourcing and supply chain management solutions provider, recently signed two major new clients, Edgars Consolidated Stores Limited (“Edcon”) of South Africa and Dr. Rehfeld Holding AG (“Dr. Rehfeld”) of Germany. Edcon, a publicly traded corporation on the Johannesburg Stock Exchange is one of the leading retailers in Southern Africa with an annual turnover in excess of US\$1 billion and operates over 720 facias in 570 store locations. Dr. Rehfeld, one of the top 100 clothing suppliers in Europe is a privately-held wholesaler and retailer of sportswear and young fashion wear in Europe with an annual turnover in excess of US\$110 million.

The Group also strengthened its management team with the addition of Mr. Ignacio Lopez as Corporate Director who will oversee day-to-day operations of Linmark. Mr. Lopez was previously with Li & Fung and prior to that, Colby for 14 years where Mr. Lopez served as Executive Vice President in charge of operations.

Two new Business Directors have also joined the senior management team reporting to Mr. Lopez. Mr. Davies Lee joined as the Hardlines Business Director with global responsibility for hardgoods development and expansion. Mr. Lee held similar senior management positions at Target Brands, Colby and PREL, the former buying agent for Wal-Mart. Mr. Raymond Lee joined Linmark as its new IT Business Director responsible for the Group’s IT strategies and infrastructure development, including L.O.G.O.N. Mr. Lee was previously Director of Technical Operations at Outblaze and prior to that, he held senior IT positions with the HK Jockey Club and Sybase.

**Mr. Lu Yen Wang**, Chairman of Linmark: *“We are delighted with the new additions to our team as we continue to develop and invest in talent which is an important asset of the Group.”*

The acquisition of the two new clients not only will boost the Group’s shipment volume, but will also diversify its market coverage to cover new regions. In addition to the new clients, orders from existing clients have also performed satisfactorily despite the SARS epidemic and the war in Iraq.

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**Mr. Steven Feniger**, CEO of Linmark: *“This year has seen us guide our customers not just through the preparation for WTO, but the Iraqi war and SARS. Our customers see Linmark not just as a buying agent but a partner in the increasingly complex world of sourcing. We are excited with the new customer additions as we continue to focus on delivering double-digit topline growth in FY2004.”*

Benefiting from its established global sourcing network, Linmark has increasingly been relied upon especially during the recent SARS crisis. As clients have been reluctant to travel for merchandising purposes, Linmark’s total supply chain management solutions have proven to be invaluable.

At Linmark, decentralized management approach has facilitated timely response to cater changing customer needs, especially in times such as the recent SARS episode. Leveraging on its pan-Asian sourcing and office network, the Group has devised a set of contingency plans to assign orders to factories outside SARS affected areas if necessary. And in addition to conducting client visits proactively, latest technologies such as video-conferencing and the Group’s sophisticated web-based LO.GO.N. system have also enabled it to maintain close contacts with clients and suppliers. These measures are being implemented in parallel with a series of procedures which aim to raise hygiene standards in all its offices. With these in place, the Group’s business and operations have seen no disruption. However, the Group remains vigilant, keeping a close eye on the market environment and standing ready to evaluate the situation should the epidemic persist further.

Meanwhile, the management is committed to taking business forward by soliciting new clients and strengthening the sourcing network. The Group is also actively exploring opportunities in the China market through collaboration with leading PRC department stores. Management remains cautiously optimistic with regard to the outlook of business in FY2004 and is looking forward to a gradually improving business environment both in the region and in North America.

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**About Edgars Consolidated Stores Limited:**

Edgars Consolidated Stores Limited (Edcon) is a dominant specialty fashion retailer in Southern Africa with its origins tracing back to 1929. Over the years, Edcon has grown to 8 retail brands, over 720 facias in 570 store locations with an annual turnover of R8.3 billion or US\$1.1 billion throughout South Africa and the neighbouring territories of Namibia, Botswana, Swaziland and Lesotho. The group has established leadership positions in Southern Africa for clothing, footwear, home textiles, cosmetics and accessories through different retail formats, including Edgars, a national department store chain, the United Retail fashion discount formats(trading as Jet, Sales House, Cuthberts, Smiley' s), Super Mart (general merchandise) and CNA (books and stationery). The group is listed on the Johannesburg Stock Exchange (JSE) trading as Edcon.

**About Dr. Rehfeld Holding AG:**

Dr. Rehfeld Holding AG is a privately-held wholesaler and retailer of sportswear and young fashion wear marketed under its proprietary brands '**Broadway, Broadway Man, and Broadway Woman**'. The company was established in 1976 and has become one of the top 100 clothing suppliers in Europe with an estimated annual turnover of US\$110 million. Its merchandise are sold in Switzerland, Austria, The Netherlands, Scandinavia, Spain and Ireland.

**About Linmark:**

Linmark, listed on The Stock Exchange of Hong Kong Limited in May 2002, is a fast growing *one-stop global sourcing and supply chain management solutions provider*. With a presence in 26 cities in 17 countries and territories, the Group offers comprehensive and efficient sourcing solutions to its customers, the majority of whom are leading retail chain operators, well-known brands, wholesalers, mail order houses and departments stores in North America and Europe. Examples include Hudson's Bay Company, Brylane, Federated Department Stores, Jockey, J.C. Penney, Mothercare, Calvin Klein® Jeans, Chaps by Ralph Lauren®, Speedo®, etc.

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