



[For Immediate Release]

Linmark Announces FY2014 Interim Results

(HONG KONG, 16 December 2013) – Supply chain management and solutions provider **Linmark Group Limited** (“Linmark” or the “Group”; stock code: 915) today announced its interim results for the six months ended 31 October 2013.

For the period ended 31 October 2013, shipment value amounted to approximately US\$146.3 million (equivalent to HK\$1,141.1 million), maintaining a similar level as compared to the corresponding period last year. Revenue grew by approximately 7.4% to approximately US\$58.4 million (equivalent to HK\$455.5 million).

Gross profit increased by around 3.6% from approximately US\$14.6 million (equivalent to HK\$113.9 million) for the same period last year to approximately US\$15.2 million (equivalent to HK\$118.6 million), and was the result of the Group’s increased focus on higher margin business. For the six months ended 31 October 2013, the Group recorded a profit of approximately US\$3.2 million (equivalent to HK\$25.0 million). For the corresponding period last year, the Group’s profit included Indian tax refunds of approximately US\$0.8 million (equivalent to HK\$6.3 million). When a comparison is made between the profits of the Group for the review period and corresponding period last year, where the one-time Indian tax refunds are excluded in the latter period, the Group achieved an increase in profit of approximately 24.0%.

Basic earnings per share were approximately 0.5 US cent (equivalent to 3.9 HK cents). The Board of Directors has declared the payment of an interim dividend of 1 HK cent per ordinary share.

Mr. Wang Lu Yen, Chairman and Chief Executive Officer of Linmark, said, “Despite the ongoing challenges of the global environment, the Group’s shipments remained at similar level as the same period last year and achieved a moderate growth in revenue. The change in sales mix with a higher portion of sales generated from merchandise and the increased focus on higher margin business also brought about the improvement in our business.”

North America continued to be the largest market of the Group, contributing approximately 49.6% of the Group’s total shipment value. During the period under review, shipments to North America decreased by approximately 4.3% to approximately US\$72.6 million (equivalent to HK\$566.3 million). The decline was mainly due to fewer orders placed by certain US customers whose businesses were affected by the unstable retail environment. Shipments to Europe increased by approximately 6.4% to approximately US\$41.6 million (equivalent to HK\$324.5 million), and was mainly due to business from new customers. Consequently, the European market accounted for approximately 28.4% of the Group’s total shipment value. Benefiting from the organic growth of certain customers, shipments grouped under “Others”, comprising mainly shipments to the southern hemisphere, rose by approximately 2.9% to approximately US\$32.1 million (equivalent to HK\$250.4 million).

The Group's financial position remains healthy with cash and cash equivalents of approximately US\$14.3 million (equivalent to HK\$111.5 million) as at 31 October 2013. The Group has a current ratio of approximately 1.3 and a gearing ratio of zero, based on no interest-bearing borrowings and total equity of approximately US\$32.3 million (equivalent to HK\$251.9 million) as at 31 October 2013.

Prospects

The second half of the financial year is expected to remain challenging for the Group as the global economy will continue to be impacted by uncertainties hovering over several major economies. With economic growth in Europe remaining stagnant while only a modest pace of growth has been registered in the US, the near-term development of both regions remain clouded. This instability will continue to affect consumer confidence, and in turn the retail markets.

Against this backdrop, the Group has already seen certain of its customers taking tighter reins on inventory control, preferring to maintain lower stocks. Such protective measures will invariably affect the Group's business during the remaining financial period.

Despite the less than upbeat environment, the Group will continue to employ measures that help sustain its competitiveness. This will include bolstering ties with existing customers by enhancing services, while efforts will concurrently be made to attract new customers to the fold. It will also seek to promote cross-selling activities that benefit the Group's two operating segments. Having made progress on controlling costs, the Group will continue to closely monitor different operational aspects for further enhancement on efficiencies.

"Through a series of competitiveness enhancement strategies, we are cautiously optimistic about the Group's full year performance." **Mr. Wang** concluded.

About Linmark Group Limited

Linmark is a one-stop supply chain management solutions and premium brands partner. With a global presence in 15 countries/territories and a sourcing network throughout Asia, the Group offers comprehensive and efficient sourcing solutions and value-added services to its customers, the majority of whom are leading retail chain operators, well-known brands and licensors, wholesalers, mail order houses and department stores in North America, Europe, Asia, Australia and South Africa.

Our web site: www.linmark.com

For more information:

Strategic Financial Relations Limited

Veron Ng	veron.ng@sprg.com.hk	Tel: +852 2864 4831
Keris Leung	keris.leung@sprg.com.hk	Tel: +852 2864 4863
Beatrice Wong	beatricehy.wong@sprg.com.hk	Tel: +852 2114 4953

Linmark Group Limited FY2014 Interim Results Announcement

Condensed Consolidated Interim Income Statement	For the six months ended 31 October	
	2013	2012
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Revenue	58,423	54,418
Cost of sales	<u>(43,259)</u>	<u>(39,781)</u>
Gross profit	15,164	14,637
Other income	511	539
General and administrative expenses	(12,029)	(12,358)
Loss on dissolution of a subsidiary	(138)	-
Share of loss of a jointly-controlled entity	<u>(1)</u>	<u>(1)</u>
Profit before tax	3,507	2,817
Income tax (expense)/credit	<u>(355)</u>	<u>531</u>
Profit for the period attributable to owners of the Company	<u><u>3,152</u></u>	<u><u>3,348</u></u>
Earnings per share attributable to ordinary equity holders of the Company (expressed in US cent)		
- Basic	<u>0.5</u>	<u>0.5</u>
- Diluted	<u>0.5</u>	<u>0.5</u>

Notes:

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately US\$3,152,000 (2012: US\$3,348,000), and the weighted average number of 683,438,844 (2012: 683,069,279) ordinary shares in issue during the period.

The Group had no dilutive potential ordinary shares in issue for the periods ended 31 October 2013 and 2012.