

LINMARK COMPLETES ACQUISITION OF ISO SIGNIFICANT LEAP IN HARDGOODS BUSINESS EXPANSION

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(HONG KONG, 17 November, 2003) – **Linmark Group Limited** (“Linmark”/the “Group”) (stock code: 915), a one-stop global sourcing agent, today announced that it has successfully completed its acquisition of ISO International (Holdings) Limited (“ISO”). This represents a significant leap in the expansion of the Group’s hardgoods business.

ISO, a company based in Hong Kong, is focused on the supply chain management business of home lifestyle entertainment products and consumer electronics products. Similar to Linmark, ISO also provides one-stop sourcing services ranging from consultancy, design, sourcing, procurement to quality inspection, fulfillment and accreditation services, with quality inspection being its core business. In August 2003, ISO entered into a strategic alliance with the Productivity and Standard Board (PSB) of Singapore to provide accreditation services in China. With the successful completion, ISO has formally become a wholly owned subsidiary of Linmark.

Mr. Wang Lu-yen, Chairman of Linmark said, “I am most excited to welcome ISO to the Linmark family. This is testimony of our determination to grow through greater product diversity. We have long identified the hardgoods business, which enjoys higher margin as a growth driver. ISO brings Linmark not only expertise in the sourcing of home lifestyle entertainment and consumer electronics products, but also an extensive customer base on which we will grow our existing hardgoods business.”

Consideration for the acquisition stands at HK\$155.0 million. Based on the 12-month pro rata figure per ISO’s audited financial statements for the 13 months ended 30 April 2003, this represents a P/E ratio of 10.6. The Group has already effected the initial payment of HK\$108.5 million in cash. Balance of the amount is subject to downward adjustment, depending on ISO’s consolidated net profits after tax in the current and the next two financial years. The acquisition is internally financed with funds raised from Linmark’s share offer in May 2002 and general working capital.

Mr. Steven Feniger, CEO of Linmark commented, “ISO boasts a diversified customer base, particularly in the consumer electronics goods sector and has a strong presence in Europe and the U.S. Its key management on average has over 20 years of experience in the consumer electronics industry. This valuable exposure has equipped them with the most profound product knowledge, helping them to stay at the forefront of market trends.”

ISO has enjoyed phenomenal growth in the last two years. For the year ended 31 March 2002 and the 13 months ended 30 April 2003, it recorded net profit after tax of approximately HK\$5.4 million and HK\$15.8 million respectively. The warranted net profit after tax of ISO for financial year 2004 is approximately HK\$22.0 million.

Mr. Feniger continued, “ISO’s track record is expected to bring immediate returns to the Group. In addition, it possesses an extensive sourcing network in North Asia including China and South Korea, which is a great asset to the Group as China is the world’s largest manufacturing base of consumer electronics products. This allows us to better serve our existing customers, enhancing our immediate benefits from this deal.”

Mr. Feniger relayed, “This acquisition emphasizes our commitment to focus on increasing the product categories that we offer our customers while also adding to the geographic diversification of our customer base. The established relationship of ISO with its customers, who are serving leading international retailers including *Walmart* and *Best Buy* not only creates immense potential for its organic growth, but also presents cross selling opportunities for Linmark in the softgoods business.”

The Group has devised a comprehensive plan to ensure efficient integration with ISO. This includes appointment of three directors to ISO’s new Board. The other two directors will be retained from the previous management of ISO. Mr. Barry Richard Pettitt, former Chairman of ISO, has been appointed as the President of ISO. He held senior positions with companies listed in Hong Kong for many years.

Mr. Wang concluded, “We will continue to adhere to our defined growth strategies, which include new customer wins, the expansion of value-added services and seeking of new merger and acquisition opportunities. With our solid business fundamentals, I look forward to seeing ISO’s contribution in the near future.”

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About Linmark Group Limited

Linmark, listed on The Stock Exchange of Hong Kong Limited in May 2002, is a one-stop global sourcing agent. With presence in 27 cities in 18 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, Europe, Asia and Africa. Examples include Hudson's Bay Company, Brylane, Federated Department Stores, Jockey, J.C. Penney, Mothercare, Calvin Klein® Jeans, Chaps by Ralph Lauren®, Speedo®, Edcon, etc.

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