



[For Immediate Release]

**Linmark Announces FY2013 Annual Results**  
**Net Profit Up 89.3% to US\$5.3 million**  
\* \* \*  
**Initiatives From Recent Years Reap Returns**

(HONG KONG, 12 July 2013) – Supply chain management and solutions provider **Linmark Group Limited** (“Linmark” or the “Group”; stock code: 915) today announced its annual results for the year ended 30 April 2013 (“FY2013”).

Despite the global economy remaining fragile in FY2013, the Group recorded year-on-year growth in shipment volume of approximately 6.7% from approximately US\$258.3 million (equivalent to HK\$2,014.7 million) last year to approximately US\$275.5 million (equivalent to HK\$2,148.9 million) this year. The Group’s revenue also grew by approximately 9.3% from approximately US\$100.6 million (equivalent to HK\$784.7 million) last year to approximately US\$110.0 million (equivalent to HK\$858.0 million) for the reporting year. The positive performance can be directly attributed to a series of comprehensive initiatives launched in recent years from which the Group has been able to reap returns.

Gross profit climbed by roughly 17.4% from approximately US\$23.5 million (equivalent to HK\$183.3 million) last year to approximately US\$27.6 million (equivalent to HK\$215.3 million) this year. The rise was driven by a greater focus on higher margin businesses. The Group achieved a profit after tax of approximately US\$5.3 million (equivalent to HK\$41.3 million), representing an increase of around 89.3% when compared with a net profit of approximately US\$2.8 million (equivalent to HK\$21.8 million) recorded last year. Excluding the Indian tax refunds, the Group’s profit would have amounted to approximately US\$4.5 million (equivalent to HK\$35.1 million), representing a year-on-year increase of approximately 60.7%.

Basic earnings per share were approximately 0.8 US cent (equivalent to 6.2 HK cents). The Board of Directors recommends the payment of a final dividend of 1.2 HK cents per ordinary share in respect of the year ended 30 April 2013. Together with the paid interim dividend of 1.6 HK cents per ordinary share, the total dividend paid will be 2.8 HK cents per ordinary share.

Subsequent to the end of the reporting period, a distribution of 14.64 HK cents per ordinary share was paid to the shareholders on 28 June 2013 out of the contributed surplus.

**Mr. Wang Lu Yen, Chairman and Chief Executive Officer of Linmark**, said, “Despite the weak economic conditions, we managed to increase our shipment volume and revenue on the strength of our business development efforts and increasing cross-selling to key customers. The success of these development efforts is perhaps most evident in our securing new customers, including those from emerging markets, which made greater contributions in the second half of the year. The fact that gross profit has climbed as well is an indicator of our success on focusing high-margin products and services.”

During the year under review, shipments to North America increased by approximately 15.2% to approximately US\$138.5 million (equivalent to HK\$1,080.3 million). The increase in shipments was mainly attributable to organic growth and business from new customers. North America continued to be the largest market of the Group, contributing approximately 50.3% of the Group's total shipment value. Shipments to Europe increased by approximately 8.3% to approximately US\$76.1 million (equivalent to HK\$593.6 million) mainly due to the business from new customers. Shipments to Europe presently account for approximately 27.6% of the Group's total shipment value. Shipments grouped under "Others", comprising mainly shipments to the southern hemisphere, declined by approximately 10.2% to approximately US\$60.9 million (equivalent to HK\$475.0 million) due to the effect of conservative consumer sentiment on demand. Others represented approximately 22.1% of the Group's total shipment value.

The Group's financial position remains healthy with cash and cash equivalents of approximately US\$24.3 million (equivalent to HK\$189.5 million) as at 30 April 2013. The Group has a current ratio of approximately 1.9 and a gearing ratio of zero, based on no interest-bearing borrowings and total equity of approximately US\$42.7 million (equivalent to HK\$333.1 million) as at 30 April 2013.

### **Prospects**

Although global economic growth remains sluggish, management expects the business to increase incrementally during the first half of the next financial year. The business development efforts made in securing new customers will continue to bring benefits to the Group in the near future. In fact, the climb in profitability in the past year is evidence of the effectiveness of business strategies adopted. To bolster the Group's competitiveness, Linmark will continue to offer a greater variety of products and provide more value-added services. At the same time, the Group is strengthening partnerships with existing customers, promoting cross-selling and exploring new business opportunities.

Rising inflation and currency appreciation are expected to contribute to increasing costs in countries where the Group operates, particularly in China. To alleviate their impact, management will continue to closely monitor and implement effective cost control measures to better manage operating expenses. In addition, the Group will further diversify its sourcing base to address different customers' needs.

"While economic, market and cost challenges remain, management is cautiously optimistic about the financial performance of the Group in the coming year based on its sound business fundamentals." **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](http://www.linmark.com)

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## Linmark Group Limited FY2013 Annual Results Announcement

<b>Condensed Consolidated Income Statement</b>	<b>For the year ended 30 April</b>	
	<b>2013</b>	<b>2012</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	<b>110,047</b>	100,621
Cost of sales	<b>(82,459)</b>	<b>(77,123)</b>
Gross profit	<b>27,588</b>	23,498
Other income	<b>1,078</b>	1,454
General and administrative expenses	<b>(23,543)</b>	<b>(22,014)</b>
Gain on disposal of subsidiaries	-	191
Loss on dissolution of a subsidiary	-	<b>(97)</b>
Loss on deregistration of a branch	<b>(193)</b>	-
Share of loss of a jointly-controlled entity	<b>(1)</b>	<b>(1)</b>
Profit before tax	<b>4,929</b>	3,031
Income tax credit/(expense)	<b>403</b>	<b>(247)</b>
Profit for the year attributable to owners of the Company	<b>5,332</b>	2,784
Earnings per share attributable to ordinary equity holders of the Company (expressed in US cent)		
- Basic	<b>0.8</b>	0.4
- Diluted	<b>0.8</b>	0.4

*Notes:*

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the number of ordinary shares in issue during the year.

The Group has no dilutive potential ordinary shares in issue for the years ended 30 April 2013 and 2012.