



[For Immediate Release]

Linmark Sees Growth in Profit in FY2013 Interim Results

(HONG KONG, 17 December 2012) – 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 2012.

For the period ended 31 October 2012, shipment value amounted to approximately US\$146.2 million (equivalent to HK\$1,140.4 million), a decrease of approximately 4.7% when compared with approximately US\$153.4 million (equivalent to HK\$1,196.5 million) recorded for the corresponding period last year. Revenue decreased by approximately 4.7% to approximately US\$54.4 million (equivalent to HK\$424.3 million).

Despite the difficult business environment, the Group increased gross profit by around 10.6% from approximately US\$13.2 million (equivalent to HK\$103.0 million) for the same period last year to approximately US\$14.6 million (equivalent to HK\$113.9 million), mainly due to greater focus on higher margin businesses. For the six months ended 31 October 2012, the Group’s profit increased around 83.3% to approximately US\$3.3 million (equivalent to HK\$25.7 million), when compared with approximately US\$1.8 million (equivalent to HK\$14.0 million) recorded for the same period last year. The profit included the Indian tax refunds of approximately US\$0.8 million (equivalent to HK\$6.3 million). Excluding the Indian tax refunds, the Group’s profit would have amounted to approximately US\$2.5 million (equivalent to HK\$19.5 million), representing a year-on-year increase of approximately 38.9%.

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 1.6 HK cents per ordinary share.

Mr. Wang Lu Yen, Chairman and Chief Executive Officer of Linmark, said, “In the past year, we have placed greater focus on higher margin businesses. Our strategy has paid off as reflected in the growth in our bottom line. Although the global economy remained weak, we were able to secure new customers during the review period. The new customers should have a positive impact on the Group’s shipment value and revenue in the second half of the financial year.”

North America continued to be the largest market of the Group, contributing approximately 51.9% of the Group’s total shipment value. During the period under review, shipments to North America increased by approximately 7.1% to approximately US\$75.9 million (equivalent to HK\$592.0 million). The increase in shipments was mainly attributable to organic growth and business from new customers. Affected by the weaker demand, shipments to Europe decreased by around 11.9% to approximately US\$39.1 million (equivalent to HK\$305.0 million), thereby accounting for approximately 26.7% of the Group’s total shipment value. Shipments grouped under “Others” comprising mainly shipments to the southern hemisphere declined by approximately 18.1% to approximately US\$31.2 million (equivalent to HK\$243.4 million) due to the effect of conservative consumer sentiment on demand.

The Group's financial position remains healthy with cash and cash equivalents of approximately US\$22.6 million (equivalent to HK\$176.3 million) as at 31 October 2012. The Group has a current ratio of 1.8 and a gearing ratio of zero, based on no interest-bearing borrowings and total equity of approximately US\$41.9 million (equivalent to HK\$326.8 million) as at 31 October 2012.

Prospects

The global environment is expected to remain challenging for the rest of the financial year as the sluggish economic recovery in the US and unresolved debt crisis in Europe will continue to burden the world economy.

Against this backdrop, the Group will strive to provide more value-added services, strengthen partnerships with existing customers and promote cross-selling opportunities. At the same time, the Group will continue to diversify its portfolio by developing more quality products that enhance the profit contributions. The new customers secured during the review period are expected to contribute revenue to the Group in the upcoming six months. To gain positive momentum for the business, continuous efforts and resources will be put to acquire new customers.

The management will also closely monitor and manage expenses, as well as assess potential merger and acquisition opportunities as they arise.

“The Group expects that the aforementioned strategies and plans will bring positive results for the rest of the financial year despite the challenges ahead.” **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

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Linmark Group Limited FY2013 Interim Results Announcement

Condensed Consolidated Interim Income Statement	For the six months ended 31 October	
	2012	2011
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Revenue	54,418	57,128
Cost of sales	<u>(39,781)</u>	<u>(43,885)</u>
Gross profit	14,637	13,243
Other income	539	607
General and administrative expenses	(12,358)	(11,911)
Share of loss of a jointly-controlled entity	<u>(1)</u>	<u>(1)</u>
Profit before tax	2,817	1,938
Income tax credit/ (expense)	<u>531</u>	<u>(89)</u>
Profit for the period attributable to owners of the Company	<u><u>3,348</u></u>	<u><u>1,849</u></u>
Earnings per share attributable to ordinary equity holders of the Company (expressed in US cent)		
- Basic	<u>0.5</u>	<u>0.3</u>
- Diluted	<u>0.5</u>	<u>0.3</u>

Notes:

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately US\$3,348,000 (2011: US\$1,849,000), and the weighted average number of 683,069,279 (2011: 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 2012 and 2011.