



[For Immediate Release]

Linmark Announces FY2012 Interim Results

(HONG KONG, 15 December 2011) – 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 2011.

For the period ended 31 October 2011, shipment value amounted to approximately US\$153.4 million (equivalent to HK\$1,196.5 million), an increase of approximately 5.3% compared to approximately US\$145.7 million (equivalent to HK\$1,136.5 million) for the corresponding period last year. Revenue increased by approximately 11.4% to approximately US\$57.1 million (equivalent to HK\$445.4 million). For the six months ended 31 October 2011, the Group reported profit of approximately US\$1.8 million (equivalent to HK\$14.0 million), an increase of approximately 197.7% compared to approximately US\$621,000 (equivalent to HK\$4.8 million) for the same period last year, mainly due to the increase in shipment volume during the period under review.

Basic earnings per share were approximately 0.3 US cent (equivalent to 2.34 HK cents). The Board of Directors recommended the payment of an interim dividend of 0.88 HK cent per ordinary share in respect of the six months ended 31 October 2011.

Mr. Wang Lu Yen, Chairman and Chief Executive Officer of Linmark, said, “During the period under review, the Group continued to operate under difficult business conditions. Nevertheless, by taking a proactive approach in terms of delivering more value-added services, Linmark reported business growth, derived largely from existing customers, and was also able to develop new markets and products to broaden its revenue streams.”

Shipment to North America increased by approximately 1.9% to approximately US\$70.9 million (equivalent to HK\$553.0 million). North America is presently the largest market of the Group, contributing approximately 46.2% of the Group’s total shipment value. Shipment to Europe increased by approximately 24.4% to approximately US\$44.4 million (equivalent to HK\$346.3 million), thereby accounting for approximately 28.9% of the Group’s total shipment value. The increase in shipment to Europe was attributable to the business growth from existing customers, along with shipment to new customers. Shipment grouped under “Others”, comprising mainly shipment to the southern hemisphere, declined by approximately 5.7% to approximately US\$38.1 million (equivalent to HK\$297.2 million).

The Group’s financial position remained healthy with cash and cash equivalents of approximately US\$20.0 million (equivalent to HK\$156.0 million) as at 31 October 2011. Its current ratio was 1.6 and gearing ratio was zero, based on no interest-bearing borrowings and total equity of approximately US\$38.8 million (equivalent to HK\$302.6 million) as at 31 October 2011.

Prospects

While the Group has performed well during the first half of the financial year, the management is mindful of the potential combined impact of the recent deteriorating global economic environment and financial instability on the business in the coming months. Affected by the growing concerns on the sovereign debt crises in the Euro zone and the uncertain US economy, the retail markets in the US and Europe are expected to become more fragile. Against this backdrop, the Group's customers are increasingly cautious in placing orders so as to keep their inventory levels low and thereby improve liquidity.

To counter the challenges ahead, the management will continue to develop better quality products and offer the Group's customers more value-added services. On the other hand, the Group intends to search for more cost-effective sourcing locations to strengthen the Group's competitiveness and business foundation. In addition, greater attention will be placed on accounts with higher margins and more efforts will be devoted to exploring new business opportunities and markets.

Although the Group is working diligently to maintain the business volume amid the aforementioned unfavourable factors, the management expects the shipment volume for the second half of the financial year and for the full year to be less than that of the last comparable periods. "Despite challenges ahead, in view of Linmark's firm business foundation, we maintain an overall positive outlook on the Group's long term prospects." **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 website: 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
Kent Lau	kent.lau@sprg.com.hk	Tel: +852 2864 4870
Fax:	+852 2527 1196	
Website:	www.sprg.com.hk	

Linmark Group Limited FY2012 Interim Results Announcement

Condensed Consolidated Interim Income Statement	For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Revenue	57,128	51,272
Cost of sales	(43,885)	(39,592)
Gross profit	13,243	11,680
Other income	607	578
General and administrative expenses	(11,911)	(11,561)
Share of loss of a jointly-controlled entity	(1)	(1)
Profit before tax	1,938	696
Income tax expense	(89)	(75)
Profit for the period attributable to owners of the Company	1,849	621
Earnings per share attributable to ordinary equity holders of the Company (expressed in US cent)		
- Basic	0.3	0.1
- Diluted	N/A	0.1

Notes:

The calculation of basic earnings per share for the period is based on the profit attributable to owners of the Company of approximately US\$1,849,000 (2010: US\$621,000), and the weighted average number of 683,069,279 (2010: 678,781,397) ordinary shares in issue during the period.

Diluted earnings per share for the six months ended 31 October 2011 has not been disclosed, as the share options outstanding during the period has anti-dilutive effect on the basic earnings per share for the period.

The calculation of diluted earnings per share for the six months ended 31 October 2010 was based on the profit attributable to owners of the Company of approximately US\$621,000. The weighted average number of ordinary shares used in the calculation was the 678,781,397 ordinary shares in issue during the period, as used in the basic earnings per share calculation; and approximately 13,237,000 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options.