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Daohe Global Group Limited

道和環球集團有限公司

(Formerly known as Linmark Group Limited

林麥集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2015

FINAL RESULTS HIGHLIGHTS:

- Shipment value amounted to approximately US\$241.1 million (equivalent to HK\$1,880.6 million), a decrease of approximately 8.2% as compared to approximately US\$262.6 million (equivalent to HK\$2,048.3 million) for the last year.
- Revenue decreased by approximately 5.3% to approximately US\$97.9 million (equivalent to HK\$763.6 million) as compared to approximately US\$103.4 million (equivalent to HK\$806.5 million) for the last year.
- Profit for the year amounted to approximately US\$1.7 million (equivalent to HK\$13.3 million), a decrease of approximately 62.4% as compared to approximately US\$4.5 million (equivalent to HK\$35.1 million) for the last year.
- The Directors recommend the payment of a final dividend of 0.05 HK cent per ordinary share (after Share Subdivision) for the year ended 30 April 2015.

AUDITED FINAL RESULTS

The board (“**Board**”) of directors (“**Directors**”) of Daohe Global Group Limited (formerly known as Linmark Group Limited) (“**Company**”) announces the audited condensed consolidated financial information of the Company and its subsidiaries (together, the “**Group**”) for the year ended 30 April 2015, together with comparative figures for the previous year, as follows:

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Condensed Consolidated Statement of Profit or Loss

	<i>Note</i>	2015 <i>US\$'000</i>	2014 <i>US\$'000</i> (Restated)
REVENUE	3	97,872	103,397
Cost of sales		(72,879)	(76,427)
Gross profit		24,993	26,970
Other income		984	1,353
General and administrative expenses		(23,292)	(23,329)
Loss on dissolution of a subsidiary		–	(138)
Share of loss of a joint venture		–	(1)
PROFIT BEFORE TAX	4	2,685	4,855
Income tax expense	5	(1,009)	(399)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,676	4,456
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (expressed in US cent)	7		
– Basic (<i>Note</i>)		0.05	0.13
– Diluted (<i>Note</i>)		0.05	0.13

Details of the dividends and distribution to shareholders of the Company are set out in Note 6.

Note:

Adjusted for the effect of Share Subdivision (as defined below) in June 2015.

Condensed Consolidated Statement of Comprehensive Income

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
PROFIT FOR THE YEAR	1,676	4,456
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified subsequently to profit or loss:		
Exchange differences:		
Translation of foreign operations	33	172
Reclassification adjustment		
– loss on dissolution of a subsidiary	–	138
	<hr/>	<hr/>
Other comprehensive income to be reclassified subsequently to profit or loss	33	310
Other comprehensive loss not to be reclassified subsequently to profit or loss:		
Remeasurements from defined benefit plan	(34)	(44)
	<hr/>	<hr/>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(1)	266
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,675	4,722
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Condensed Consolidated Statement of Financial Position

		30 April 2015 US\$'000	30 April 2014 US\$'000
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	8	334	459
Goodwill		26,333	26,333
Available-for-sale financial asset		84	84
Investment in a joint venture		10	10
Deferred tax assets		12	9
Total non-current assets		<u>26,773</u>	<u>26,895</u>
CURRENT ASSETS			
Trade receivables	9	4,236	6,221
Prepayments, deposits and other receivables		3,305	2,422
Tax recoverable		–	566
Cash and cash equivalents		17,044	14,611
Total current assets		<u>24,585</u>	<u>23,820</u>
CURRENT LIABILITIES			
Trade payables	10	4,762	5,682
Accruals and other payables		11,164	9,675
Tax payable		2,035	1,636
Total current liabilities		<u>17,961</u>	<u>16,993</u>
NET CURRENT ASSETS		<u>6,624</u>	<u>6,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,397</u>	<u>33,722</u>
NON-CURRENT LIABILITY			
Post-employment benefits		809	1,005
Total non-current liability		<u>809</u>	<u>1,005</u>
NET ASSETS		<u><u>32,588</u></u>	<u><u>32,717</u></u>
EQUITY			
Issued capital		13,694	13,671
Reserves		18,894	19,046
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u><u>32,588</u></u>	<u><u>32,717</u></u>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the year ended 30 April 2015 have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the disclosure requirements of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). They have been prepared under the historical cost convention, except for an available-for-sale financial asset, which has been measured at fair value. These financial statements are presented in United States dollars (“US\$”), unless otherwise stated.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the condensed consolidated financial statements of the Group are consistent with those followed in the preparation of the audited financial statements of the Group for the year ended 30 April 2014, except for the adoption of the following new and revised IFRSs (which comprise standards, interpretations and International Accounting Standards (“IASs”) approved by the International Accounting Standards Board).

Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised)	<i>Investment Entities</i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC-Int 21	<i>Levies</i>
Amendments to IFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Definition of Vesting Condition¹</i>
Amendments to IFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination¹</i>
Amendment to IFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to IFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective IFRSs</i>

¹ Effective from 1 July 2014

The adoption of the revised standards and new interpretation has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) sales of merchandise including garments, fashion accessories, hardgoods, consumer electronic products and labels; and
- (b) provision of services including procurement and value-added services relating to the procurement agency business.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, loss on dissolution of a subsidiary, share of loss of a joint venture as well as corporate and other unallocated expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 30 April 2015	Sales of merchandise US\$'000	Provision of services US\$'000	Total US\$'000
Segment revenue:			
Revenue from external customers	<u>83,002</u>	<u>14,870</u>	<u>97,872</u>
Segment results	<u>1,993</u>	<u>1,222</u>	3,215
Interest income			7
Corporate and other unallocated expenses			<u>(537)</u>
Profit before tax			2,685
Income tax expense			<u>(1,009)</u>
Profit for the year			<u>1,676</u>
Other segment information:			
Depreciation	142	131	273
Capital expenditures	42	108	150
Impairment of trade receivables	<u>–</u>	<u>125</u>	<u>125</u>

Year ended 30 April 2014	Sales of merchandise US\$'000	Provision of services US\$'000	Total US\$'000
Segment revenue:			
Revenue from external customers	86,811	16,586	103,397
Segment results			
	2,266	3,211	5,477
Interest income			7
Loss on dissolution of a subsidiary			(138)
Share of loss of a joint venture			(1)
Corporate and other unallocated expenses			(490)
Profit before tax			4,855
Income tax expense			(399)
Profit for the year			4,456
Other segment information:			
Depreciation	300	456	756
Capital expenditures	100	75	175
(Reversal of impairment)/Impairment of trade receivables	(15)	42	27

Geographical information

(a) Revenue from external customers

	2015 US\$'000	2014 US\$'000
Australia	35,002	36,823
Africa	24,703	23,201
North America	19,240	16,874
Europe	12,270	18,892
Others	6,657	7,607
	97,872	103,397

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Hong Kong	26,555	26,634
Others	122	168
	<u>26,677</u>	<u>26,802</u>

The non-current asset information above is based on the locations of assets and excludes an available-for-sale financial asset and deferred tax assets.

Information about major customers

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue is set out below:

	Operating segment	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Customer A	Sales of merchandise	33,532	34,578
Customer B	Sales of merchandise	24,703	23,201
		<u>58,235</u>	<u>57,779</u>

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Depreciation	273	756
Loss on dissolution of a subsidiary	–	138
Gain on disposal of property, plant and equipment	(3)	(1)
Impairment of trade receivables	125	27
	<u>125</u>	<u>27</u>

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Current		
– Hong Kong	233	378
– Outside Hong Kong	117	84
Net underprovision/(overprovision) in prior years	662	(73)
Deferred	(3)	10
	<hr/>	<hr/>
Total tax expense for the year	1,009	399
	<hr/> <hr/>	<hr/> <hr/>

As of the date of this announcement, the Group received protective assessments amounting to approximately HK\$137,000,000 (equivalent to US\$17,564,000) from the Inland Revenue Department of Hong Kong (“IRD”) in respect of queries on the modus operandi of the Group and the chargeability of profits for the years of assessment from 2003/2004 to 2008/2009. Objections have been lodged by the Group against the protective assessments. In addition, Tax Reserve Certificates amounting to HK\$5,250,000 (equivalent to US\$673,000) have been purchased by two subsidiaries of the Company in pursuit of the holdover of tax demanded under protective assessments for these years.

In April 2015, with the assistance of an independent tax advisor, the Group submitted a settlement proposal as part of negotiations with the IRD (not yet agreed) in relation to this case and an additional tax provision in the amount of HK\$5,900,000 (equivalent to US\$756,000) was made in the financial statements for the year ended 30 April 2015. As at the close of the reporting year, the settlement proposal is still under review by the IRD. Despite the uncertainty about its outcome, the Group is of the view that sufficient tax provisions have been made in the financial statements based on the information available.

6. DIVIDENDS AND DISTRIBUTION

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Distribution, paid, of nil (2014: 2.928 HK cents) per ordinary share (<i>Note</i>)	–	12,863
Interim, paid, of 0.192 HK cent (2014: 0.20 HK cent) per ordinary share (<i>Note</i>)	843	879
Final, proposed, of 0.05 HK cent (2014: 0.242 HK cent) per ordinary share (<i>Note</i>)	226	1,063
	<hr/>	<hr/>
	1,069	14,805
	<hr/> <hr/>	<hr/> <hr/>

A distribution of 2.928 HK cents per ordinary share (*Note*) was paid to shareholders of the Company on 28 June 2013 pursuant to an ordinary resolution passed at a special general meeting on 13 June 2013.

The Directors recommend the payment of a final dividend of 0.05 HK cent per ordinary share (after Share Subdivision) in respect of the year ended 30 April 2015. Subject to shareholders’ approval at the forthcoming annual general meeting, the final dividend will be paid in cash on or about 11 September 2015 to shareholders whose names appear on the register of members of the Company on 4 September 2015.

Note:

Adjusted for the effect of Share Subdivision in June 2015.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year, after taking into account the Share Subdivision which was effective from 23 June 2015, as detailed in the paragraph under “Events after the reporting period” below.

The calculation of the diluted earnings per share is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no dilutive potential ordinary shares in issue for the year ended 30 April 2014.

The calculations of the basic and diluted earnings per share are based on:

	2015	2014 (Restated)
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation (<i>US\$ '000</i>)	<u>1,676</u>	<u>4,456</u>
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (<i>'000</i>)(<i>Note</i>)	3,418,449	3,417,518
Effect of dilution – weighted average number of ordinary shares:		
Share options (<i>'000</i>)(<i>Note</i>)	<u>728</u>	–
	<u>3,419,177</u>	<u>3,417,518</u>

Note:

Adjusted for the effect of Share Subdivision in June 2015.

8. ADDITIONS IN PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 April 2015, the Group spent approximately US\$150,000 (2014: US\$175,000) on acquisition of property, plant and equipment.

9. TRADE RECEIVABLES

The general credit terms granted to customers range from 60 days to 90 days. An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2015 US\$'000	2014 US\$'000
Within 30 days	3,197	3,871
31 to 60 days	299	1,188
61 to 90 days	540	737
91 to 365 days	270	469
Over 1 year	74	342
	<u>4,380</u>	<u>6,607</u>
Impairment	(144)	(386)
	<u><u>4,236</u></u>	<u><u>6,221</u></u>

Note:

The trade receivables aged over 90 days are being carefully monitored by management. Approximately US\$0.1 million (2014: US\$0.4 million) of these balances were covered by the impairment.

10. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015 US\$'000	2014 US\$'000
Within 30 days	3,752	4,190
31 to 60 days	908	1,234
61 to 90 days	5	37
91 to 365 days	5	146
Over 1 year	92	75
	<u>4,762</u>	<u>5,682</u>

11. RELATED PARTY TRANSACTIONS

(a) During the years ended 30 April 2015 and 2014, the Group had the following significant related party transactions:

	2015 US\$'000	2014 US\$'000
Rental expenses paid to related companies	<u>509</u>	<u>713</u>

Rental expenses were determined based on the market rate and floor area.

(b) Balance with a related party

At 30 April 2015, the Group had prepaid rent and rental deposit of US\$24,000 (2014: US\$24,000) to a related company.

(c) Compensation of key management personnel of the Group

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Short term employee benefits	1,229	1,656
Post-employment benefits – defined contribution plans	81	72
	<hr/>	<hr/>
Total compensation paid to key management personnel	1,310	1,728
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MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

The business environment remained difficult during the year ended 30 April 2015, with both of the Group's operating segments, specifically sales of merchandise and provision of services, experiencing a decline in shipment value, with overall shipments dropping by approximately 8.2% from approximately US\$262.6 million (equivalent to HK\$2,048.3 million) last year to approximately US\$241.1 million (equivalent to HK\$1,880.6 million) this year.

The Group's revenue dropped by approximately 5.3% from approximately US\$103.4 million (equivalent to HK\$806.5 million) last year to approximately US\$97.9 million (equivalent to HK\$763.6 million) for the reporting year.

Gross profit decreased by around 7.3% from approximately US\$27.0 million (equivalent to HK\$210.6 million) last year to approximately US\$25.0 million (equivalent to HK\$195.0 million) this year.

The general and administrative expenses remained at a similar level with last year, amounting to approximately US\$23.3 million (equivalent to HK\$181.7 million) as at the close of the reporting year.

For the year ended 30 April 2015, the Group reported a profit of approximately US\$1.7 million (equivalent to HK\$13.3 million), a decrease of approximately 62.4% when compared to approximately US\$4.5 million (equivalent to HK\$35.1 million) last year. This was largely attributable to the decline in turnover of the Group as aforementioned and an additional tax provision for the Hong Kong Tax Case, details of which are set out in the paragraph under "Hong Kong Tax Case".

Segmental Analysis

Operating Segmentation

The Group's business comprises two operating segments: (i) sales of merchandise including garments, fashion accessories, hardgoods, consumer electronic products and labels; and (ii) provision of services including procurement and value-added services relating to the procurement agency business.

	Shipment value	
	For the year ended 30 April	
	2015	2014
	<i>US\$' million</i>	<i>US\$' million</i>
Provision of services	158.1	175.8
Sales of merchandise	83.0	86.8
	<hr/>	<hr/>
Total	241.1	262.6
	<hr/> <hr/>	<hr/> <hr/>

Shipment value from the provision of services fell by approximately 10.1% to approximately US\$158.1 million (equivalent to HK\$1,233.2 million), accounting for roughly 65.6% of the Group's total shipment value. This was mainly due to a decline in business from North America.

Shipment value from sales of merchandise declined by approximately 4.4% to approximately US\$83.0 million (equivalent to HK\$647.4 million) as a result of the weaker demand from certain customers in Europe. This segment accounted for around 34.4% of the Group's total shipment value.

Geographical Segmentation

	Shipment value	
	For the year ended 30 April	
	2015	2014
	<i>US\$' million</i>	<i>US\$' million</i>
North America	121.2	131.8
Europe	58.8	69.3
Others	61.1	61.5
	<hr/>	<hr/>
Total	241.1	262.6
	<hr/> <hr/>	<hr/> <hr/>

During the year under review, shipments to North America dropped by approximately 8.0% to approximately US\$121.2 million (equivalent to HK\$945.4 million), as a result of a change in procurement strategy by certain customers. Nevertheless, North America remained the largest market of the Group, contributing approximately 50.3% of the Group's total shipment value.

Shipments to Europe decreased by approximately 15.2% to approximately US\$58.8 million (equivalent to HK\$458.6 million). The contraction was due to a number of factors, including the weak European economy, the depreciation of the Euro against the US dollar and the international sanctions on Russia that led to weaker consumption sentiment, in turn, spurring the Group's customers to implement a more conservative policy towards replenishing inventory. As a result, shipments to Europe accounted for approximately 24.4% of the Group's total shipment value as at the end of the reporting year.

Shipments grouped under "Others", comprising mainly shipments to the southern hemisphere, remained relatively stable. Shipments decreased slightly by approximately 0.7% to approximately US\$61.1 million (equivalent to HK\$476.6 million). "Others" represented approximately 25.3% of the Group's total shipment value.

Hong Kong Tax Case

As of the date of this announcement, the Group received protective assessments amounting to approximately HK\$137,000,000 (equivalent to US\$17,564,000) from the IRD in respect of queries on the modus operandi of the Group and the chargeability of profits for the years of assessment from 2003/2004 to 2008/2009. Objections have been lodged by the Group against the protective assessments. In addition, Tax Reserve Certificates amounting to HK\$5,250,000 (equivalent to US\$673,000) have been purchased by two subsidiaries of the Company in pursuit of the holdover of tax demanded under protective assessments for these years.

In April 2015, with the assistance of an independent tax advisor, the Group submitted a settlement proposal as part of negotiations with the IRD (not yet agreed) in relation to this case and an additional tax provision in the amount of HK\$5,900,000 (equivalent to US\$756,000) was made in the financial statements for the year ended 30 April 2015. As at the close of the reporting year, the settlement proposal is still under review by the IRD. Despite the uncertainty about its outcome, the Group is of the view that sufficient tax provisions have been made in the financial statements based on the information available.

Financial Review

The Group's financial position remains healthy with cash and cash equivalents of approximately US\$17.0 million (equivalent to HK\$132.6 million) as at 30 April 2015. In addition, the Group has total banking facilities of approximately US\$20.8 million (equivalent to HK\$162.2 million), including borrowing facilities of approximately US\$0.4 million (equivalent to HK\$3.1 million) as at 30 April 2015.

The Group has a current ratio of approximately 1.4 and a gearing ratio of zero, based on no interest-bearing borrowings and total equity of approximately US\$32.6 million (equivalent to HK\$254.3 million) as at 30 April 2015. There has not been any material change in the Group's borrowings since 30 April 2015.

Trade receivables decreased from approximately US\$6.2 million (equivalent to HK\$48.4 million) as at 30 April 2014 to approximately US\$4.2 million (equivalent to HK\$32.8 million) as at 30 April 2015. Gross trade receivables aged over 90 days, which amounted to approximately US\$0.3 million (equivalent to HK\$2.3 million), are being carefully monitored by management. Approximately US\$0.1 million (equivalent to HK\$0.8 million) of these balances were covered by the impairment.

The Group's net asset value as at 30 April 2015 was approximately US\$32.6 million (equivalent to HK\$254.3 million).

The Group had no material contingent liability as at 30 April 2015.

The majority of the Group's transactions during the year under review were denominated in US dollars and Hong Kong dollars. To minimise exchange risks, sales and purchases are generally transacted in the same currency.

Remuneration Policy and Staff Development Scheme

As at 30 April 2015, the Group had 382 staff members (2014: 407 staff members). Total staff costs for the year under review amounted to approximately US\$15.7 million (equivalent to HK\$122.5 million) (2014: US\$16.1 million (equivalent to HK\$125.6 million)). The Group offers competitive remuneration schemes to its employees based on industry practices, along with the individual and the Group's performance. In addition, share options and discretionary bonuses are also granted to eligible staff members based on their individual performance and that of the Group.

Update on the Creditors' Voluntary Liquidation of Linmark Electronics Limited ("LEL")

Reference is made to the disclosure on pages 10 to 11 of the Company's 2014 annual report for the year ended 30 April 2014 in relation to the creditors' voluntary liquidation of LEL ("**Liquidation**").

Based on the company status shown on the website of the Companies House of the UK, LEL was dissolved on 21 October 2014.

Save as disclosed in the previous interim and annual reports of the Company, the Liquidation did not have further material impact on the Group.

Change in Control and Unconditional Mandatory Cash Offers

On 17 December 2014, Roly International Holdings Ltd., RGS Holdings Limited and Mr. WANG Lu Yen ("**Vendors**") and Daohe Global Investment Holding Limited ("**Offeror**") entered into a sale and purchase agreement (as supplemented by a supplemental agreement dated 11 January 2015), pursuant to which the Vendors agreed to sell and the Offeror agreed to purchase an aggregate of 477,655,619 shares of the Company ("**Sale Shares**"), representing approximately 69.88% of the then entire issued share capital of the Company, for a total consideration of HK\$562,463,485 (equivalent to approximately HK\$1.1776 per Sale Share). Completion of the sale and purchase agreement took place on 26 January 2015.

Upon completion of the sale and purchase agreement, the Offeror and parties acting in concert with it were interested in 477,655,619 shares of the Company, representing approximately 69.88% of the then entire issued share capital of the Company.

During the period from 2 February 2015 to 23 February 2015, China Galaxy International Securities (Hong Kong) Co., Limited made unconditional mandatory cash offers on behalf of the Offeror for all the issued shares (other than those shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) and for the cancellation of all outstanding options held by the option holders in compliance with Rules 26.1 and 13.5 of the Codes on Takeovers and Mergers and Share Buy-backs. Details of the unconditional mandatory cash offers have been disclosed in the joint announcements dated 12 January 2015, 26 January 2015, 2 February 2015, 11 February 2015 and 23 February 2015 and the composite offer and response document dated 2 February 2015 jointly issued by the Offeror and the Company.

Prospects

The new financial year is expected to remain challenging as the poor global business environment will likely persist. Consequently, the Group will inevitably face a number of obstacles that it was confronted with during the past year.

While the US economy has been recovering modestly, the upturn has not immediately translated into increased demand for the Group's services. Based on the experience of the Group's customers, the general public remains highly price conscious, which in turn will mean the Group's customers will continue to follow a more cautious approach towards placing orders.

In Europe, the economies that make up the euro zone have experienced lackluster growth, and there remain concerns that the prolonged slowdown could possibly trigger a recession. Concerns of a recession also exist in Russia. Previously among the fastest growing markets in the world, the country is now on the brink of a recession due to international sanctions.

The economic stagnation of the aforementioned regions and other markets has directly been reflected in the devaluation of most major currencies against the US dollar, including the Euro, Australian dollar and South African Rand. As a result, this will place mounting price pressure on the Group's imported products.

In the face of the many uncertainties mentioned, the Group will continue to strengthen ties with its key customers in efforts to stimulate organic growth. At the same time, it will seek to establish ties with new customers so as to widen its client base, as well as investigate new business opportunities.

With respect to the Group's product portfolio, management will closely examine the product mix and seek to expand product offerings. Furthermore, the Group will look to deepen its sourcing base in order to address customers' needs, as well as reduce its own exposure to cost and currency related pressures.

Management will continue to closely monitor and implement effective cost control measures so as to bolster efficiency and reign in expenses.

Following the placement of the Company's shares in June 2015, the financial position of the Group has been further strengthened and the capital base has been broadened. The Group is now in a better position for development opportunities as and when they arise. Management will keep on looking for merger and acquisition opportunities that allow the Group to effectively expand its scope of businesses, services and product offerings.

"Linmark" is an established and trusted brand with a 50-year history. The Group expects to develop the existing business under the "Linmark" brand, as part of its portfolio of holdings. At the same time, the Company's new name, "Daohe Global", reflects the ambitions of the Group to grow and to pursue new opportunities as they arise.

Despite short term challenges, management remains optimistic about the Group's long-term development.

DIVIDENDS

An interim dividend of 0.96 HK cent per ordinary share (before Share Subdivision (as defined below)) or 0.192 HK cent per ordinary share (after Share Subdivision) in respect of the six months ended 31 October 2014 was paid on 2 January 2015.

The Directors recommend the payment of a final dividend of 0.25 HK cent per ordinary share (before Share Subdivision) or 0.05 HK cent per ordinary share (after Share Subdivision) in respect of the year ended 30 April 2015. Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid in cash on or about 11 September 2015 to shareholders whose names appear on the register of members of the Company on 4 September 2015.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting is expected to be held on Thursday, 27 August 2015. For the purpose of ascertaining the shareholders' rights of attending and voting at the forthcoming annual general meeting, the register of members of the Company will be closed from Tuesday, 25 August 2015 to Thursday, 27 August 2015, both days inclusive. In order to be entitled to attend the annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4.30 p.m. on Monday, 24 August 2015.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

For the purpose of determining the entitlement to the final dividend in respect of the year ended 30 April 2015, the register of members of the Company will be closed from Wednesday, 2 September 2015 to Friday, 4 September 2015, both days inclusive. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4.30 p.m. on Tuesday, 1 September 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 30 April 2015.

REVIEW OF RESULTS

The audit committee, comprising the three independent non-executive Directors referred to below, has reviewed with the management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the report prepared by the external auditors to the audit committee in respect of the audit of the financial statements of the Group for the year ended 30 April 2015.

The audit committee has also reviewed the terms and conditions of the connected transactions of the Company that took place during the year under review.

EVENTS AFTER THE REPORTING PERIOD

Share Subdivision, Change of Board Lot Size and Change of Company Name

According to the circular published by the Company dated 29 May 2015, the Board proposed (i) that each of the existing issued and unissued shares of US\$0.02 each in the share capital of the Company be subdivided into five (5) subdivided shares of US\$0.004 each ("**Share Subdivision**"); (ii) to change the board lot size of trading in the shares from 2,000 shares to 10,000 subdivided shares as soon as possible after the Share Subdivision becomes effective; and (iii) to change the registered primary name of the Company from "Linmark Group Limited" to "Daohe Global Group Limited" and to adopt "道和環球集團有限公司" as its secondary name to replace the existing Chinese name of "林麥集團有限公司" which has been used for identification purposes only ("**Change of Company Name**").

The Share Subdivision and the Change of Company Name were approved by the shareholders of the Company at the special general meeting of the Company held on 22 June 2015. The Share Subdivision became effective on 23 June 2015.

With effect from 23 June 2015, the board lot size of trading in the shares of the Company had been changed from 2,000 shares to 10,000 subdivided shares.

On 25 June 2015, the Registrar of Companies in Bermuda issued a Certificate of Incorporation on Change of Name and a Certificate of Secondary Name certifying the Change of Company Name with effect from 23 June 2015. The Company is carrying out the necessary filing procedures with the Companies Registry in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

Subscription of New Shares under General Mandate

On 17 June 2015, a total of 20,000,000 ordinary shares (representing approximately 2.84% of the then issued share capital of the Company as enlarged by the subscription immediately after completion of the allotment) were allotted and issued to six subscribers pursuant to the terms and conditions of the subscription agreement dated 1 June 2015 entered by and between the Company and the subscribers.

Reference are made to the announcements of the Company dated 1 June 2015 and 17 June 2015 in relation to the subscription of new shares under general mandate. The net proceeds from the subscription after deducting all relevant costs and expenses were approximately HK\$64,000,000 (equivalent to US\$8,205,000). The Company intends to use the net proceeds from the subscription to enlarge its capital base and prepare for any development opportunities as and when they arise.

CORPORATE GOVERNANCE

The Company has adopted the Code Provisions (“**Code Provisions**”) as stated in the Corporate Governance Code (“**CG Code**”) contained in Appendix 14 to the Listing Rules as the Corporate Governance Code of the Company.

Currently, there are four Board committees, namely, audit committee, remuneration committee, nomination committee and executive committee.

During the year under review, save for the deviation from Code Provision A.2.1 which are explained in the relevant paragraphs below, the Company fully complied with the Code Provisions in the CG Code.

Code Provision A.2.1

Mr. WANG Lu Yen, the then chairman of the Board, was also the chief executive officer of the Group for the period from 1 May 2014 to 5 February 2015. It was a deviation from Code Provision A.2.1 of the CG Code which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Given Mr. Wang’s experience and business knowledge, the Board believed that the Group benefited from a unified chairman and chief executive officer position that provided clarity of leadership and allowed efficient decision-making in strategic matters as well as the Group’s day-to-day business.

Following the resignation of Mr. WANG Lu Yen as chairman of the Board and chief executive officer of the Group with effect from 5 February 2015, the two positions have been held by Mr. ZHOU Xijian and Mr. ZHANG Qi respectively. Since then, the role of the chairman has been separate from that of the chief executive officer and there has not been deviation from Code Provision A.2.1 of the CG Code.

A corporate governance report of the Company with details of the policies and practices on corporate governance will be set out in the Company’s 2015 annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules as its model code for securities transactions by the Directors. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code during the year under review and up to the date of this announcement.

The Company has also established written guidelines on no less exacting terms than the Model Code (“**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to be in possession of unpublished inside information in relation to the Company and its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the year under review and up to the date of this announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises one non-executive Director, being Mr. ZHOU Xijian (Chairman); three executive Directors, being Mr. ZHANG Qi (Chief Executive Officer), Mr. WONG Hing Lin, Dennis (President and Chief Financial Officer) and Mr. HWANG Han-Lung, Basil (General Counsel and Head of Development and Investments); and three independent non-executive Directors, being Mr. WANG Arthur Minshiang, Mr. TSE Hau Yin, Aloysius and Mr. Jakob Jacobus Koert TULLENERS.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

The results announcement is published on the designated website of the Stock Exchange for news dissemination at www.hkexnews.hk and on the Company’s website at www.daoheglobal.com.hk. The Company’s 2015 annual report will be despatched to the shareholders and available on the same websites on or about 28 July 2015.

CHANGE OF COMPANY WEBSITE

The website of the Company has been changed to “www.daoheglobal.com.hk” with immediate effect to reflect the Change of Company Name.

All amounts in US\$ have been translated in HK\$ at a rate of US\$1=HK\$7.8 in this announcement for illustration purpose only. The exchange rate does not constitute representations that any amount has been, could have been, or may be exchanged at this or any other rates at all.

By Order of the Board
Daohe Global Group Limited
道和環球集團有限公司
(Formerly known as Linmark Group Limited
林麥集團有限公司*)
ZHOU Xijian
Chairman & non-executive Director

Hong Kong, 14 July 2015

Head Office and Principal Place of Business in Hong Kong:
1123, Kowloonbay International Trade & Exhibition Centre
1 Trademart Drive
Kowloon Bay, Kowloon
Hong Kong

* *For identification purpose only*