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 2009

FINAL RESULTS HIGHLIGHTS:

- Shipment value amounted to approximately US$496.9 million (equivalent to HK$3,875.8 million), a decrease of approximately 15.9% as compared to approximately US$590.7 million (equivalent to HK$4,607.5 million) for the last year.

- Revenue dropped by approximately 32.4% to approximately US$195.8 million (equivalent to HK$1,527.2 million) as compared to approximately US$289.7 million (equivalent to HK$2,259.7 million) for the last year.

- Loss for the year amounted to approximately US$12.3 million (equivalent to HK$95.9 million) as compared to a loss of approximately US$20.4 million (equivalent to HK$159.1 million) for the last year.

- The Directors recommend the payment of a final dividend of 2.2 HK cents per share for the year ended 30 April 2009.

AUDITED FINAL RESULTS

The board ("Board") of directors ("Directors") of Linmark Group Limited ("Company" or "Linmark") announces the audited condensed consolidated financial information of Company and its subsidiaries (together, the "Group") for the year ended 30 April 2009, together with comparative figures for the previous year, as follows:

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Condensed Consolidated Income Statement

	Note	2009 US$'000	2008 US$'000
Revenue	3	**195,762**	289,707
Cost of sales		**(159,823)**	(260,109)
Gross profit		**35,939**	29,598
Other income		**1,995**	3,192
General and administrative expenses		**(33,207)**	(39,855)
Restructuring costs		**(1,719)**	–
Impairment loss on goodwill	4	**(3,000)**	(3,000)
Impairment loss on patents and trademarks	4	**(10,137)**	(10,254)
Finance costs		**(52)**	(418)
Share of loss of a jointly-controlled entity		**(4)**	(45)
Loss before tax	5	**(10,185)**	(20,782)
Tax	6	**(2,069)**	365
Loss for the year		**(12,254)**	(20,417)
Attributable to:			
Equity holders of the Company		**(8,350)**	(12,789)
Minority interest		**(3,904)**	(7,628)
		(12,254)	(20,417)
Dividends	7	**1,891**	–
Loss per share attributable to equity holders of the Company (expressed in US cents per share)	8		
– Basic		**(1.2)**	(1.9)
– Diluted		**N/A**	N/A

Condensed Consolidated Balance Sheet

	Note	**2009** **US$'000**	2008 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,364**	2,758
Intangible assets		**26,489**	43,223
Available-for-sale financial asset		**84**	84
Investment in a jointly-controlled entity		**19**	23
Deferred tax assets		**86**	1,221
Total non-current assets		**28,042**	47,309
CURRENT ASSETS			
Inventories		**2,440**	13,030
Trade receivables	10	**18,239**	21,428
Prepayments, deposits and other receivables		**7,309**	5,105
Due from a related company	12(b)	**–**	5
Cash and cash equivalents		**23,674**	16,752
Total current assets		**51,662**	56,320
CURRENT LIABILITIES			
Trade payables	11	**22,282**	24,543
Accruals and other payables		**12,040**	10,765
Warranty provision		**1,154**	9,365
Interest-bearing bank borrowings		**–**	1,284
Balance of consideration payable for acquisitions of subsidiaries		**1,149**	1,149
Dividend payable to a minority shareholder of a subsidiary		**742**	1,030
Tax payable		**2,143**	1,786
Total current liabilities		**39,510**	49,922
NET CURRENT ASSETS		**12,152**	6,398
Total assets less current liabilities		**40,194**	53,707
NON-CURRENT LIABILITIES			
Post-employment benefits		**1,192**	1,189
TOTAL NON-CURRENT LIABILITIES		**1,192**	1,189
NET ASSETS		**39,002**	52,518
EQUITY			
Issued capital		**13,500**	13,500
Reserves		**25,502**	34,501
Equity attributable to equity holders of the Company		**39,002**	48,001
Minority interest		**–**	4,517
TOTAL EQUITY		**39,002**	52,518

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the year ended 30 April 2009 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the disclosure requirements of the Rules Governing the Listing of Securities 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$").

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

2. 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 2008, except for the adoption of the following new IFRSs, which comprise standards and interpretations approved by the International Accounting Standard Board ("IASB"), and International Accounting Standards ("IASs") and the new International Financial Reporting Interpretation Committee interpretations ("IFRIC-Int") approved by the International Accounting Standards Committee that remain in effect.

IAS 39 and IFRS 7 Amendments	Amendments to IAS 39 Financial Instruments: *Recognition and Measurement* and IFRS 7 Financial Instruments: *Disclosures – Reclassification of Financial Assets*
IFRIC-Int 12	*Service Concession Arrangements*
IFRIC-Int 14	IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these standards and interpretations did not have any effect on the financial position or the performance of the Group.

2.1 Impact of issued but not yet effective international financial reporting standards

The Group has not applied the following new and revised IFRSs and new IFRIC-Int, that have been issued but are not yet effective, in these financial statements.

IFRS 1 (Revised)	First-time Adoption of IFRSs (ii)
IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (i)
IFRS 2 Amendments	Amendments to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (i)
IFRS 3 (Revised)	Business Combinations (ii)
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosure about Financial Instruments (i)
IFRS 8	Operating Segments (i)
IAS 1 (Revised)	Presentation of Financial Statements (i)
IAS 23 (Revised)	Borrowing Costs (i)
IAS 27 (Revised)	Consolidated and Separate Financial Statements (ii)
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (i)
IAS 39 Amendments	Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (ii)
IFRIC-Int 9 and IAS 39 Amendments	Amendments to IFRIC-Int 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives (v)
IFRIC-Int 13	Customer Loyalty Programmes (iii)
IFRIC-Int 15	Agreements for the Construction of Real Estate (i)
IFRIC-Int 16	Hedges of a Net Investment in a Foreign Operation (iv)
IFRIC-Int 17	Distribution of Non-cash Assets to Owners (ii)
IFRIC-Int 18	Transfers of Assets from Customers (vi)

Apart from the above, the IASB has issued Improvements to IFRSs* which sets out amendments to a number of IFRSs primarily with a view to remove inconsistencies and clarify wording. Amendments are effective for annual periods beginning on or after 1 January 2009, although there are separate transitional provisions for each standard.

(i) Effective for annual periods beginning on or after 1 January 2009

(ii) Effective for annual periods beginning on or after 1 July 2009

(iii) Effective for annual periods beginning on or after 1 July 2008

(iv) Effective for annual periods beginning on or after 1 October 2008

(v) Effective for annual periods ending on or after 30 June 2009

(vi) Effective for transfers of assets from customers received on or after 1 July 2009

* Improvements to IFRSs contain amendments to IFRS 2, IFRS 5, IFRS 7, IAS 1, IAS 7, IAS 8, IAS 10, IAS 16, IAS 17, IAS 18, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40, IAS 41, IFRIC-Int 9 and IFRIC-Int 16.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, it has concluded that while the adoption of IFRS 8 and IAS 1 (Revised) may result in new or amended disclosures and the adoption of IFRS 3 (Revised), IAS 27 (Revised) and IAS 23 (Revised) may result in changes in accounting policies, these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

An analysis of the Group's segment information for the year ended 30 April 2009 and the previous year by business and geographical segments is as follows:

Primary reporting format – business segments

At 30 April 2009, the Group was organised on a worldwide basis into two main business segments: (i) sales of merchandise (garment, labels and consumer electronic products); and (ii) provision of services (procurement service and value-added services relating to the procurement agency business).

The segment information for the year ended 30 April 2009 is as follows:

	Sales of merchandise *US$'000*	**Provision of services** *US$'000*	**Total** *US$'000*
SEGMENT REVENUE			
Revenue from external customers	**175,204**	**20,558**	**195,762**
SEGMENT RESULTS	**3,184**	**1,842**	**5,026**
Impairment loss on goodwill	**–**	**(3,000)**	**(3,000)**
Impairment loss on patents and trademarks	**(10,137)**	**–**	**(10,137)**
Restructuring costs			**(1,719)**
Interest income			**149**
Finance costs			**(52)**
Share of loss of a jointly-controlled entity			**(4)**
Gain on disposal of a subsidiary			**102**
Corporate and other unallocated expenses			**(550)**
Loss before tax			**(10,185)**
Tax			**(2,069)**
Loss for the year			**(12,254)**

The segment information for the year ended 30 April 2008 is as follows:

	Sales of merchandise *US$'000*	Provision of services *US$'000*	Total *US$'000*
SEGMENT REVENUE			
Revenue from external customers	272,006	17,701	289,707
SEGMENT RESULTS	(5,069)	(1,851)	(6,920)
Impairment loss on goodwill	–	(3,000)	(3,000)
Impairment loss on patents and trademarks	(10,254)	–	(10,254)
Interest income			598
Finance costs			(418)
Share of loss of a jointly-controlled entity			(45)
Corporate and other unallocated expenses			(743)
Loss before tax			(20,782)
Tax			365
Loss for the year			(20,417)

Secondary reporting format – geographical segments

The Group's two business segments operate primarily in five main geographical locations. The following table provides an analysis of the Group's revenue, total assets and capital expenditure by geographical locations.

	Revenue		**Total assets**		**Capital expenditure**	
	2009 ***US$'000***	2008 *US$'000*	**2009** ***US$'000***	2008 *US$'000*	**2009** ***US$'000***	2008 *US$'000*
Europe	**98,954**	187,904	**13,302**	39,409	**2**	69
Australia	**37,140**	39,240	**–**	–	**–**	–
Africa	**22,001**	21,597	**7**	10	**–**	–
North America	**16,232**	17,491	**–**	–	**–**	–
Hong Kong	**2,753**	5,369	**63,661**	61,427	**164**	839
Others	**18,682**	18,106	**2,734**	2,783	**109**	82
	195,762	289,707	**79,704**	103,629	**275**	990

Revenue is allocated based on the location of customers. Total assets and capital expenditure are allocated based on the location of those assets.

4. IMPAIRMENT LOSSES ON PATENTS AND TRADEMARKS AND GOODWILL

During the year under review, the Group recognised an impairment charge of US$10,137,000 (2008: US$10,254,000) in connection with patents and trademarks of Dowry Peacock Group Limited ("Dowry Peacock", together with its subsidiaries as referred to as the "Dowry Peacock Group"), a 60% owned subsidiary of the Company, and an impairment charge of US$3,000,000 (2008: US$3,000,000) on goodwill of ISO International (Holdings) Limited, a 100% owned subsidiary of the Company. The charges are made based on the results of impairment tests for the patents and trademarks and goodwill using their value in use in accordance with IAS 36.

5. LOSS BEFORE TAX

Loss before tax has been arrived at after (crediting)/charging:

	2009 *US$'000*	2008 *US$'000*
Reimbursement income from customers	**(67)**	(324)
Depreciation	**1,460**	1,715
Amortisation of intangible assets	**1,132**	1,158
Loss on disposal of items of property, plant and equipment	**49**	2
Gain on disposal of a subsidiary	**(102)**	–

6. TAX

	2009 *US$'000*	2008 *US$'000*
Current – charge for the year		
– Hong Kong	**1,008**	816
– Elsewhere	**72**	110
Underprovision in prior years	**38**	65
Deferred	**951**	(1,356)
	2,069	(365)

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 30 April 2009.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDENDS

No interim dividend or final dividend in respect of the year ended 30 April 2008 was proposed and paid.

No interim dividend was declared and paid during the year under review.

The Directors recommend the payment of a final dividend of 2.2 HK cents per share in respect of the year ended 30 April 2009. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or about 17 September 2009 to shareholders whose names appear on the register of members of the Company on 11 September 2009.

8. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the loss attributable to ordinary equity holders of the Company of US$8,350,000 (2008: US$12,789,000), and the weighted average number of ordinary shares in issue of 674,994,644 (2008: 671,924,714) during the year.

Diluted loss per share for the years ended 30 April 2009 and 2008 have not been disclosed, as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

9. ADDITIONS IN PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 April 2009, the Group spent approximately US$275,000 (2008: US$990,000) on acquisition of property, plant and equipment.

10. TRADE RECEIVABLES

The general credit terms granted to customers range from 60 days to 90 days. The ageing analysis of trade receivables as at balance sheet date, based on invoice date, is as follows:

	2009	2008
	US$'000	*US$'000*
Within 30 days	**6,256**	12,338
31 to 60 days	**3,607**	3,333
61 to 90 days	**1,624**	3,831
91 to 365 days	**7,146**	2,036
Over 1 year	**5,903**	6,125
	24,536	27,663
Impairment of trade receivables	**(6,297)**	(6,235)
	18,239	21,428

Note:

The trade receivables aged over 90 days are being carefully monitored by the management. Approximately US$6.2 million of these balances was covered by the impairment.

11. TRADE PAYABLES

The ageing analysis of trade payables as at the balance sheet date, based on invoice date, is as follows:

	2009	2008
	US$'000	*US$'000*
Within 30 days	**4,322**	19,293
31 to 60 days	**2,303**	2,169
61 to 90 days	**1,290**	1,329
91 to 365 days	**10,598**	468
Over 1 year	**3,769**	1,284
	22,282	24,543

12. RELATED PARTY TRANSACTIONS

(a) During the years ended 30 April 2009 and 2008, the Group had the following material related party transactions:

		2009	2008
	Note	***US$'000***	*US$'000*
Rental expenses	*(i)*	**375**	310
Royalty income	*(ii)*	**62**	95
Inspection income	*(iii)*	**54**	37
Commission income	*(iv)*	**43**	–

Notes:

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

(ii) Royalty income was charged in accordance with the terms of agreement made between the parties.

(iii) Inspection income was determined based on the rate agreed by both parties.

(iv) Commission income was received based on the terms of agreement made between the parties.

(b) Due from a related company

The amount due from a related company for the year ended 30 April 2008 was unsecured, interest-free and repayable on demand. The carrying amount of the amount due from a related company approximates its fair value.

(c) Key management compensation:

	2009	2008
	US$'000	*US$'000*
Short term employee benefits	**1,388**	1,155
Post-employment benefits – defined contribution plans	**51**	78
Share-based payments	**76**	80
	1,515	1,313

13. EVENT AFTER THE BALANCE SHEET DATE

On 28 July 2009, Linmark Electronics Limited ("LEL"), a company incorporated in the United Kingdom ("UK") and a 60% subsidiary of the Company, filed a notice of appointment of administrators in the UK, pursuant to which joint administrators ("Administrators") of LEL ("Appointment") have been appointed pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986 of the UK. The Appointment brings into effect a statutory moratorium which prevents any action by the creditors of LEL, so that the Administrators can effect the reorganisation of LEL and/or the orderly realisation of its assets for the benefit of creditors. Upon the Appointment, the legal control of business of LEL transfers from the directors of LEL to the Administrators. Since then, the Company has lost control over the financial and operating policies of LEL and therefore, the financial results of LEL will cease to be consolidated with those of the Group upon the Appointment.

For the year ended 30 April 2009, LEL contributed revenues of approximately US$63,318,000 and net loss of approximately US$14,205,000 to the Group. At the balance sheet date, the total assets and total liabilities of LEL included in the consolidated balance sheet of the Group amounted to approximately US$13,269,000 and US$16,169,000, respectively.

The Group's investment cost relating to LEL has been fully written off and, following the Appointment, the Group ceased to consolidate the financial results of LEL. As a result, it is expected that LEL will not have a further material adverse impact on the net operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

For the year ended 30 April 2009, shipment value amounted to approximately US$496.9 million (equivalent to HK$3,875.8 million), down by approximately 15.9% as compared to approximately US$590.7 million (equivalent to HK$4,607.5 million) last year. Revenue decreased by approximately 32.4% to approximately US$195.8 million (equivalent to HK$1,527.2 million), mainly attributable to the drop in sales from the electronics division operated by Dowry Peacock in the UK.

The Group reported a loss after tax of approximately US$12.3 million (equivalent to HK$95.9 million) for the year ended 30 April 2009, against a loss of approximately US$20.4 million (equivalent to HK$159.1 million) last year. The loss for the year under review was attributable to non-cash items of approximately US$13.1 million (equivalent to HK$102.2 million), representing the impairment losses on goodwill, patents and trademarks. The impairment losses last year were approximately US$13.3 million (equivalent to HK$103.7 million). Excluding the non-cash items, the Group's adjusted profit would be approximately US$0.8 million (equivalent to HK$6.2 million) for the year under review.

General and administrative expenses for the year ended 30 April 2009 fell by approximately 16.7% to approximately US$33.2 million (equivalent to HK$259.0 million) as compared with last year.

Segmental Analysis

The table below shows the shipment value to different markets during the year under review as compared to amounts in the previous year:

	Shipment value For the year ended 30 April	
	2009	2008
	US$'million	*US$'million*
North America	**256.6**	218.0
Europe	**139.5**	218.7
Others	**100.8**	154.0
Total	**496.9**	590.7

During the year under review, shipment to North America increased by approximately 17.7% to approximately US$256.6 million (equivalent to HK$2,001.5 million), the increase in shipment was mainly attributable to orders from new customers and stronger demand of certain existing customers. North America is at present the largest market of the Group, contributing approximately 51.6% of the Group's total shipment value.

Shipment to Europe decreased by 36.2% to approximately US$139.5 million (equivalent to HK$1,088.1 million) which was largely from the drop in sales of the electronics division in the UK. Shipment to Europe now accounts for approximately 28.1% of the Group's total shipment value.

Shipment grouped under "Others", comprising mainly shipments to the southern hemisphere, amounted to approximately US$100.8 million (equivalent to HK$786.2 million). The drop was mainly due to a decrease in inspection business.

Financial Review

The Group's financial position remains healthy with cash and cash equivalents of approximately US$23.7 million (equivalent to HK$184.9 million) as at 30 April 2009. In addition, the Group has total banking facilities of approximately US$33.0 million (equivalent to HK$257.4 million) including borrowing facilities of approximately US$0.4 million (equivalent to HK$3.1 million) as at 30 April 2009.

The Group has a current ratio of 1.3 and a gearing ratio of zero, based on no interest-bearing bank borrowings and total equity of approximately US$39.0 million (equivalent to HK$304.2 million) as at 30 April 2009. There has not been any material change in the Group's borrowings since 30 April 2009.

Trade receivables decreased from approximately US$21.4 million (equivalent to HK$166.9 million) as at 30 April 2008 to approximately US$18.2 million (equivalent to HK$142.0 million) as at 30 April 2009. Net trade receivables net of impairment aged over 90 days, which amounted to approximately US$6.8 million (equivalent to HK$53.0 million), are being carefully monitored by management.

The Group's net asset value as at 30 April 2009 was approximately US$39.0 million (equivalent to HK$304.2 million).

The Group had no material contingent liability as at 30 April 2009 and there has been no material change since then.

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

Remuneration Policy and Staff Development Scheme

As at 30 April 2009, the Group had 587 staff. The total staff costs for the year under review amounted to approximately US$21.3 million (equivalent to HK$166.1 million) (2008: US$24.3 million (equivalent to HK$189.5 million)). The Group offers competitive remuneration schemes to its employees based on industry practices, individual and the Group's performance. In addition, share options and discretionary bonuses are also granted to eligible staff based on both the Group's as well as individual performance.

Prospects

The recent financial turmoil has had a serious impact on some of our customers, especially those in the United States of America, Canada and Europe. Although some retailers we work with recorded improvement earlier in the year, the phenomenon was not prevalent. Retailers continue to keep inventories at the lowest possible level and start replenishing only when a sustained growth in sales is registered, i.e. continuous comparable increases over a few months.

On the positive side, the lacklustre market environment has forced some retailers, brands and wholesalers to reconsider their sourcing strategy and some of them decided to close their sourcing operations in Asia to eliminate fixed costs and overheads and turned to engaging the service of supply chain specialists like Linmark. In addition, to improve their competitiveness and margins, many retailers and wholesalers are expected to import more goods directly instead of through domestic vendors and importers.

These trends have opened to the Group opportunities to acquire new customers. Securing new customers and developing new businesses will be one of the key focuses of the Group in the coming year.

Linmark signed licensing agreements with reputable brands in the first quarter of 2009 and related marketing campaigns were kicked off towards the end of the fiscal year. We expect a gradual increase in sales from these licensed products in the next two years.

The management will also put a stronger focus on customer service and value-added services to increase sales and maximise business opportunities with existing customers. An internal reorganization has resulted in increased focus on more competitive sourcing in order to better anticipate and meet customer expectations.

As there are no clear signs currently that economies are on the sure path of recovery, the Group will keep working on maximising operational efficiency and cost control in the next 12 months.

The performance of the Dowry Peacock Group was significantly impacted by the economic crisis and the particularly difficult environment of the retailing of electronic products in the UK. After thoughtful consideration and given the severity of its financial situation, it was decided to disengage from this business and LEL, a wholly owned subsidiary of Dowry Peacock, was put into administration in the UK on 28 July 2009 (see Note 13 of this announcement for details), just before the present financial report of the Company was put to press. This will enable the Group to refocus its full attention and energy on its core business going forward.

Despite the immense pressure from the challenging market, the Group has insisted on delivering value-added and quality customer service to enhance customer satisfaction. These efforts are instrumental to helping the Group retain customers and win new businesses when the market revives. Looking forward, the management remains optimistic about the Group's long-term prospect.

DIVIDENDS

No interim dividend was declared and paid during the year under review.

Despite the Group's results were seriously affected by the loss-making operations in the UK, which have since 28 July 2009 ceased to be consolidated to the Group's results, the Group managed to record an operating profit before restructuring costs and impairment charges of approximately US$4.7 million (equivalent to HK$36.7 million) as compared to an operating loss of approximately US$7.1 million (equivalent to HK$55.4 million) last year. In view of this, the Directors recommend the payment of a final dividend of 2.2 HK cents per share in respect of the year ended 30 April 2009. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or about 17 September 2009 to shareholders whose names appear on the register of members of the Company on 11 September 2009.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to the final dividend for the year ended 30 April 2009, the register of members of the Company will be closed from 9 September 2009 to 11 September 2009, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4.30 p.m. on 8 September 2009.

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 2009.

CHANGE OF AUDITORS

PricewaterhouseCoopers resigned as the auditors of the Company with effect from 17 November 2008. Thereafter, at a special general meeting of the Company held on 11 December 2008, Ernst & Young was appointed the new auditors of the Company for the financial year commencing on 1 May 2008 and to hold office until the conclusion of the next annual general meeting of the Company.

REVIEW OF RESULTS

The audit committee, comprising the three independent non-executive directors referred to below, has reviewed with 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 2009.

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.

CORPORATE GOVERNANCE

For the year under review, the Company has fully complied with the Code Provisions of the Code on Corporate Governance Practices of the Company, save for Code Provisions A.2.1 and B.1.3.

Code Provision A.2.1

Apart from the deviation from Code Provision A.2.1 when the chairman also took the role of acting chief executive officer during a transitional period of searching for the replacement of the chief executive officer from 1 August 2008 to 12 January 2009, the role of the chairman is separate from that of the chief executive officer of the Group. Currently, the two positions are held by Mr. WANG Lu Yen and Mr. Michel BOURLON (who are not related to each other) respectively. Their respective responsibilities are clearly defined and set out in writing, details of which will be stated in the corporate governance report.

Code Provision B.1.3

The terms of reference of the remuneration committee were in compliance with the Code Provisions except that Code Provisions B.1.3(a) and B.1.3(b) have been combined and modified such that the remuneration committee has the power to do such things and to approve all matters in relation to compensation regarding all the Directors and the senior management of the Group in accordance with the terms and conditions of their respective agreement/contract with the Company, or as the case may be, the relevant subsidiary of the Company. In addition, the remuneration committee is also delegated with the authority to exercise all the powers of the Board in relation to the share option scheme of the Company.

Management considers that the remuneration committee can better serve its functions under the modified terms ("Modified Terms") of reference of the remuneration committee set out above as its duties under the Modified Terms are more extensive and onerous than those prescribed in the Code Provisions. The Company therefore proposes that the remuneration committee shall continue to abide by the provisions of the Modified Terms in the future. Management will review the terms regularly and make appropriate changes if necessary.

A corporate governance report of the Company will be set out in the Company's 2009 annual report.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises three executive directors, being Mr. WANG Lu Yen (chairman), Mr. Michel BOURLON (chief executive officer) and Mr. KHOO Kim Cheng, two non-executive directors, being Mr. WONG Wai Ming and Mr. Mark HSU 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.linmark.com. The 2009 annual report will be despatched to the shareholders and available on the same websites on or about 12 August 2009.

By Order of the Board
WANG Lu Yen
Chairman

Hong Kong, 31 July 2009

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

* *For identification purpose only*