[For Immediate Release]

Linmark Announces FY2009 Annual Results

*　　*　　*

(HONG KONG, 31 July 2009) – 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 2009 ("FY 2009").

Like the majority of the industry peers, Linmark and its customers have suffered from this unprecedented economic downturn. 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%. 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 Group Limited ("Dowry Peacock") in the United Kingdom ("UK").

Loss per share was approximately 1.2 US cent (equivalent to 9.36 HK cents).

The Group reported a loss after tax of approximately US$12.3 million (equivalent to HK$95.9 million) 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.

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 for the year ended 30 April 2009.

Mr. Wang Lu-yen, **Chairman of Linmark,** said, "Despite the prevalent market challenges and write off of the remaining value of patents and trademarks held by Dowry Peacock in the early part of the year, we managed to reduce losses of the Group by more than half thanks to rationalisation initiatives undertaken by the management."

North America is at present the largest market of the Group, with shipment accounting for approximately 51.6% of the Group's total. Shipment to North America increased by 17.7% to approximately US$256.6 million (equivalent to HK$2,001.5 million), mainly attributable to orders from new customers and stronger demand of certain existing customers.

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 accounted 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 Group's financial position remained healthy with cash and cash equivalents of approximately US$23.7 million (equivalent to HK$184.9 million) as at 30 April 2009. Its current ratio was 1.3 and gearing ratio was zero.

Prospects

The management expects 2009 will remain difficult and order volumes will continue to decrease slightly in the next 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 costs and turned to engaging the service of supply chain specialists like Linmark. These trends have opened to the Group opportunities to acquire new customers.

In the first quarter of 2009, Linmark signed licensing agreements with reputable brands and related marketing campaigns were kicked off towards the end of the fiscal year. A gradual increase in sales from the licensed products is expected in the next two years.

Linmark has put a stronger focus on customer service and value-added services, in particular design and development, 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 Dowry Peacock 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, the Group decided to disengage from this business and Linmark Electronics Limited, a wholly owned subsidiary of Dowry Peacock, was put into administration in the UK on 28 July 2009, just before the present financial report of Linmark was put to press. While the administrators evaluate how best to effect an reorganisation of Linmark Electronics Limited and to realise maximum value for the benefit of creditors, this will enable the Group to refocus its full attention and energy on its core business.

"We have 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," **Mr. Michel Bourlon, CEO of Linmark,** concluded.

About Linmark Group Limited

Linmark is a one-stop supply chain management solutions and premium brands partner. With a global presence in 12 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

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
Angela Ng:	angela.ng@sprg.com.hk	Tel: +852 2864 4855
Fax:	+852 2804 2789 / 2527 1196	
Website:	www.sprg.com.hk	

Linmark Group Limited
FY 2009 Annual Results Announcement

Condensed Consolidated Income Statement	**For the year ended 30 April**	
	2009	2008
	US$'000	*US$'000*
Revenue	**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	**(3,000)**	(3,000)
Impairment loss on patents and trademarks	**(10,137)**	(10,254)
Finance costs	**(52)**	(418)
Share of loss of a jointly-controlled entity	**(4)**	(45)
Loss before tax	**(10,185)**	(20,782)
Tax	**(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	**1,891**	-
Loss per share for loss attributable to equity holders of the Company – US cent		
- Basic	**(1.2)**	(1.9)
- Diluted	**N/A**	N/A

Notes:

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 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.