[For Immediate Release]

LINMARK ANNOUNCES FY2007 INTERIM RESULTS
SHIPMENT VALUE UP 13.4% TO US$494.4 MILLION (HK$3,856.3 MILLION)

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(HONG KONG, 12 December 2006) – One-stop global 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 2006.

During the period under review, shipment value – the primary indicator of Linmark's business performance – amounted to approximately US$494.4 million (equivalent to HK$3,856.3 million), an increase of approximately 13.4% as compared to approximately US$435.9 million (equivalent to HK$3,400.0 million) recorded in the corresponding period last year. Turnover increased by approximately 96.9% to approximately US$193.7 million (equivalent to HK$1,510.9 million). The significant increase was principally attributed to the Group's acquisition of Dowry Peacock Group Limited ("Dowry Peacock").

The Group's profit after income tax amounted to approximately US$4.3 million (equivalent to HK$33.5 million), a decrease of approximately 59.4% as compared to approximately US$10.5 million (equivalent to HK$81.9 million) for the corresponding period last year. The decrease was mainly due to the departure of Warnaco Inc., one of the Group's key customers in North America, which decided to consolidate its retail and sourcing functions in Asia during the last financial year, challenges experienced with its value-added services and advisory business, as well as the Group's decision in tightening credit policy, which resulted in an increase of provision made during the period under review and the one-time non-cash income recorded in the corresponding period last year. Also, operating expenses, including finance costs, increased mainly as a result of the acquisition of Dowry Peacock as well as costs associated with the Group's restructuring amounting to approximately US$1.0 million (equivalent to HK$7.8 million). The Group is taking various measures to enhance efficiency and save cost.

Basic earnings per share were approximately 0.7 US cent (equivalent to 5.46 HK cents). The Board of Directors recommended the payment of an interim dividend of 1.8 HK cents.

Mr. Wang Lu-Yen, Chairman of Linmark, said, "In FY2007, our primary focus is to restructure and consolidate our operations by reorganising and integrating our different operational and business functions. I am pleased to see related work progressing smoothly as scheduled. The management believes it will bring considerable benefits to the Group's business in the long run."

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During the period under review, shipment to Europe surged approximately 141.2% to approximately US$163.3 million (equivalent to HK$1,273.7 million), which accounted for approximately 33.0% of the Group's total shipment. The growth was mainly from the increased revenue after the acquisition of 60% interest in Dowry Peacock, a UK-based consumer electronic products brand owner and supply chain management company.

Shipment to North America decreased by approximately 31.9% to approximately US$175.4 million (equivalent to HK$1,368.1 million). However, North America remained as the Group's largest market, contributing approximately 35.5% of the Group's total shipment. Shipment grouped under "Others", represents mainly shipment to the southern hemisphere. Its value increased by approximately 40.7% to approximately US$155.7 million (equivalent to HK$1,214.5 million) at strong orders from customers in South Africa and Australia.

After a series of reorganization initiatives implemented over the past months, the Group's operational functions have been divided into four specific business units. This strategic move has duly promoted better cross selling among the various product divisions.

Linmark completed its consolidation efforts involving the Shanghai and Hong Kong offices during the first and second quarter of this financial year, respectively. As a result, the Shanghai offices are now located within a single building, a practice that was subsequently mirrored in Hong Kong. Moreover, a new mega showroom similar in style to a department store was set up in the Hong Kong office. This particular display strategy not only offers an extraordinary sourcing experience to customers, but also encourages cross-selling opportunities among different business units.

In addition, the Group reviewed its office network and closed a number of non-performing locations during the review period. Such action has allowed the Group to lower operating costs to a more reasonable level and to sharpen its competitiveness.

The Group's financial position remained healthy with cash and cash equivalents of approximately US$38.8 million (equivalent to HK$302.6 million) as at 31 October 2006. The Group's current ratio was 1.1 and gearing ratio was low at 0.1.

Prospects

Although the business environment remains challenging, the management will continue to explore ways to improve profitability, including implementing cost-saving measures, improving efficiency to enhance margins, expanding customer base, negotiating with suppliers for better prices and enriching its product ranges by developing more exclusive range of products for distribution.

Mr. Peter Solomon, CEO of Linmark, said, "Our move to consolidate different operational and business functions has enabled Linmark to achieve the goals of keeping operating cost at a reasonable level, enhancing operation efficiencies and exploring synergistic opportunities. Our new initiatives to promote cross-selling among customers include setting up a new showroom at our Hong Kong office. We expect to see favourable outcomes of these endeavors in the coming years after customers have experienced the advantages of our comprehensive product offerings and one-stop service.

"By pushing ahead with consolidation now to boost competitiveness, we hope to sustain business growth in the long run and bring rewards to our shareholders."

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About Linmark Group Limited

Linmark, listed on The Stock Exchange of Hong Kong Limited in May 2002, is a one-stop global supply chain management and solutions provider. With a global network, the Group offers comprehensive and efficient sourcing solutions to its customers, the majority of whom are leading retail chain operators, well-known brands, wholesalers, mail order houses and department stores in North America, Europe, Asia and the southern hemisphere.

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Linmark Group Limited
FY 2007 Interim Results Announcement

Condensed Consolidated Interim Income Statement	**For the six months ended 31 October**	
	2006	2005
	(Unaudited)	*(Unaudited)*
	US$'000	*US$'000*
Revenue	**193,680**	98,377
Cost of sales	**(166,922)**	(70,790)
Gross profit	**26,758**	27,587
Other income	**2,197**	1,172
General and administrative expenses	**(23,205)**	(20,695)
Excess of interest in fair value of acquired subsidiaries' net assets over cost	**-**	3,428
Operating profit	**5,750**	11,492
Finance costs	**(573)**	(110)
Share of loss of a joint venture	**(28)**	(31)
Profit before income tax	**5,149**	11,351
Income tax expense	**(872)**	(808)
Profit for the period	**4,277**	10,543
Attributable to:		
Equity holders of the Company	**4,403**	10,492
Minority interest	**(126)**	51
	4,277	10,543
Dividends	**1,529**	2,350
Earnings per share for profit attributable to equity holders of the Company (expressed in US cent per share)		
- Basic	**0.7**	1.6
- Diluted	**0.7**	1.6

Notes:
The calculation of the basic earnings per share for the six months ended 31 October 2006 was based on the profit attributable to equity holders of the Company of approximately US$4,403,000 (2005: US$10,492,000) and on the weighted average number of approximately 666,845,000 (2005: 656,523,000) shares in issue during the period under review.

There was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the six months ended 31 October 2006.

The calculation of the diluted earnings per share for the six months ended 31 October 2005 was based on the profit attributable to equity holders of the Company of approximately US$10,492,000 and on the weighted average number of approximately 661,483,000 shares issued and issuable, comprising the weighted average number of approximately 656,523,000 shares in issue during the financial period and the weighted average number of approximately 4,960,000 shares, as adjusted for the dilutive effect of share options outstanding during the period under review.