LINMARK GROUP LIMITED
林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 915

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

INTERIM RESULTS HIGHLIGHTS:

- Shipment value amounted to approximately US$153.4 million (equivalent to HK$1,196.5 million), an increase of approximately 5.3% as 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) as compared to approximately US$51.3 million (equivalent to HK$400.1 million) for the corresponding period last year.
- Profit for the period under review amounted to approximately US$1.8 million (equivalent to HK$14.0 million), an increase of approximately 197.7% as compared to approximately US$621,000 (equivalent to HK$4.8 million) for the corresponding period last year.
- The Directors have declared the payment of an interim dividend of 0.88 HK cent per ordinary share in respect of the six months ended 31 October 2011.

UNAUDITED INTERIM RESULTS

The board ("**Board**") of directors ("**Directors**") of Linmark Group Limited ("**Company**" or "**Linmark**") announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (together, the "**Group**") for the six months ended 31 October 2011, together with comparative figures for the previous corresponding period, as follows:

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed Consolidated Interim Income Statement

		For the six months ended 31 October	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***US$'000***	*US$'000*
Revenue	*3*	**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	*4*	**1,938**	696
Income tax expense	*5*	**(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)	*7*		
– Basic		**0.3**	0.1
– Diluted		**N/A**	0.1

Details of the dividend to shareholders of the Company are set out in Note 6.

Condensed Consolidated Interim Statement of Comprehensive Income

	For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Profit for the period	**1,849**	621
Exchange differences		
– on translation of foreign operations	**118**	(62)
– reclassification adjustment for loss on dissolution of a subsidiary included in the consolidated income statement	**97**	–
Other comprehensive income/(loss) for the period	**215**	(62)
Total comprehensive income for the period	**2,064**	559

Condensed Consolidated Interim Statement of Financial Position

	Note	**31 October 2011 (Unaudited) *US$'000***	30 April 2011 (Audited) *US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	**736**	360
Goodwill		**26,333**	26,333
Available-for-sale financial asset		**84**	84
Investment in a jointly-controlled entity		**12**	13
Deferred tax assets		**139**	109
Total non-current assets		**27,304**	26,899
CURRENT ASSETS			
Inventories		**–**	25
Trade receivables	*9*	**9,191**	5,061
Prepayments, deposits and other receivables		**3,418**	2,774
Cash and cash equivalents		**19,992**	17,538
Total current assets		**32,601**	25,398
CURRENT LIABILITIES			
Trade payables	*10*	**8,799**	6,672
Accruals and other payables		**9,811**	6,313
Tax payable		**1,442**	1,413
Total current liabilities		**20,052**	14,398
NET CURRENT ASSETS		**12,549**	11,000
TOTAL ASSETS LESS CURRENT LIABILITIES		**39,853**	37,899
NON-CURRENT LIABILITY			
Post-employment benefits		**1,036**	1,151
Total non-current liability		**1,036**	1,151
NET ASSETS		**38,817**	36,748
EQUITY			
Issued capital		**13,661**	13,661
Reserves		**25,156**	23,087
TOTAL EQUITY		**38,817**	36,748

Notes:

1. Basis of preparation

The condensed consolidated interim financial statements of the Group for the six months ended 31 October 2011 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

This condensed consolidated interim financial information is presented in United States dollars ("**US$**"), unless otherwise stated.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2011.

2. Changes in accounting policy and disclosures

The principal accounting policies adopted in the preparation of the condensed consolidated interim financial statements of the Group are consistent with those followed in the preparation of the audited annual financial statements of the Group for the year ended 30 April 2011, except for the adoption of the revised International Financial Reporting Standards ("**IFRSs**") and new and revised International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations as noted below.

IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*[1]
IAS 24 (Revised)	*Related Party Disclosures*[2]
IFRIC-Int 14 Amendments	Amendments to IFRIC-Int 14 *Prepayments of a Minimum Funding Requirement*[2]
IFRIC-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[1]

1 Effective for annual periods beginning on or after 1 July 2010
2 Effective for annual periods beginning on or after 1 January 2011

The adoption of these new and amended standards and interpretations has had no significant financial effect on these interim financial information and there have been no significant changes to the accounting policies applied in these condensed consolidated interim financial statements.

3. Operating segment information

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) sales of merchandise (garments, labels and consumer electronics products); and

(b) provision of services (procurement service and value-added services relating to the procurement agency business).

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit which in certain respects, as explained in the table below, is measured differently from operating profit in the consolidated financial statements.

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.

The following tables present revenue and profit for the Group's reportable segments for the six months ended 31 October 2011 and 2010.

		2011	
	Sales of merchandise	**Provision of services**	**Total**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
	US$'000	***US$'000***	***US$'000***
Segment revenue:			
Revenue from external customers	**48,743**	**8,385**	**57,128**
Segment results	**735**	**1,434**	**2,169**
Interest income			**6**
Loss on dissolution of a subsidiary			**(97)**
Share of loss of a jointly-controlled entity			**(1)**
Corporate and other unallocated expenses			**(139)**
Profit before tax			**1,938**
Income tax expense			**(89)**
Profit for the period			**1,849**
Other segment information:			
Depreciation	**67**	**106**	**173**
Capital expenditures	**219**	**333**	**552**
Impairment of trade receivables	**181**	**112**	**293**

		2010	
	Sales of merchandise	Provision of services	Total
	(Unaudited)	(Unaudited)	(Unaudited)
	US$'000	*US$'000*	*US$'000*
Segment revenue:			
Revenue from external customers	43,688	7,584	51,272
Segment results	243	572	815
Interest income			51
Gain on disposal of a subsidiary			13
Share of loss of a jointly-controlled entity			(1)
Corporate and other unallocated expenses			(182)
Profit before tax			696
Income tax expense			(75)
Profit for the period			621
Other segment information:			
Depreciation	107	136	243
Capital expenditures	35	26	61
Impairment of trade receivables	–	134	134

4. Profit before tax

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

	For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Depreciation	**173**	243
Gain on disposal of a subsidiary	**–**	(13)
Loss on dissolution of a subsidiary	**97**	–
Gain on disposal of items of property, plant and equipment	**(1)**	(193)
Impairment of trade receivables	**293**	134

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Current		
– Hong Kong	**169**	81
– Outside Hong Kong	**13**	41
Overprovision in prior years	**(62)**	(32)
Deferred	**(31)**	(15)
Total tax charge for the period	**89**	75

6. Dividend

On 14 January 2011, a dividend of 0.31 HK cent per ordinary share was paid to shareholders of the Company as interim dividend in respect of the six months ended 31 October 2010.

The Directors have declared the payment of an interim dividend of 0.88 HK cent per ordinary share in respect of the six months ended 31 October 2011 and such interim dividend will be paid in cash on or about 18 January 2012 to shareholders whose names appear on the register of members of the Company on 6 January 2012.

7. Earnings per share

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.

8. Additions in property, plant and equipment

During the six months ended 31 October 2011, the Group spent approximately US$552,000 (2010: US$61,000) on acquisition of items 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:

	31 October 2011 (Unaudited) ***US$'000***	30 April 2011 (Audited) *US$'000*
Within 30 days	**6,285**	3,392
31 to 60 days	**2,224**	1,020
61 to 90 days	**347**	373
91 to 365 days	**616**	559
Over 1 year	**584**	532
	10,056	5,876
Impairment	**(865)**	(815)
	9,191	5,061

Note:

The trade receivables aged over 90 days are being carefully monitored by the management. Approximately US$863,000 (2010: US$815,000) of these balances was 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:

	31 October 2011 (Unaudited) ***US$'000***	30 April 2011 (Audited) *US$'000*
Within 30 days	**6,136**	3,518
31 to 60 days	**1,783**	2,455
61 to 90 days	**515**	268
91 to 365 days	**335**	139
Over 1 year	**30**	292
	8,799	6,672

11. Related party transactions

(a) During the six month ended 31 October 2011, the Group had the following significant related party transactions:

		For the six months ended 31 October	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***US$'000***	*US$'000*
Rental expense paid to a related company	*(i)*	**154**	64
License fee paid to a related company	*(ii)*	**5**	–
Commission income from a related company	*(iii)*	**–**	21

Notes:

(i) Rental expense was determined based on the market rate and floor area.

(ii) License fee was charged based on the terms agreed by both parties.

(iii) Commission income was received based on the terms agreed by both parties.

(b) Compensation of key management personnel of the Group:

	For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Short term employee benefits	**516**	586
Post-employment benefits – defined contribution plans	**24**	32
Share-based payments	**3**	26
Total compensation paid to key management personnel	**543**	644

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

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.

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).

General and administrative expenses for the period ended 31 October 2011 amounted to approximately US$11.9 million (equivalent to HK$92.8 million), an increase of approximately 3.0% compared to approximately US$11.6 million (equivalent to HK$90.5 million) for the same period last year.

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.

Segmental Analysis

The table below shows the shipment value to different markets during the period under review as compared to the amounts recorded for the corresponding period of last year:

	Shipment value For the six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	US$' million	*US$' million*
North America	**70.9**	69.6
Europe	**44.4**	35.7
Others	**38.1**	40.4
Total	**153.4**	145.7

During the period under review, 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).

Update on the Indian Tax Case

In November 2010, the Income Tax Appellate Tribunal ("**ITAT**") in India issued an order ("**ITAT Order**") regarding the tax appeals lodged by the Group. The ITAT Order held that only 50% of commission income was attributed to the India operations of Linmark International (Hong Kong) Limited ("**Linmark HK**"), a subsidiary of the Company. Consequently, Linmark HK was not liable to pay tax and related interest in respect of its India operations for the years 1999/2000 to 2005/2006.

In February and May 2011, Linmark HK received income tax refund from the tax authority of India totalling approximately INR19,031,000 (equivalent to approximately HK$3,300,000 or US$429,000).

In August 2011, the Commissioner of Income Tax (Appeals) ("**CITA**") in India issued an order ("**CITA Order**") and held that the penalty levied on Linmark HK in March 2010 was deleted. Hence, Linmark HK was not liable to pay penalty levied.

However, according to the advice of the Group's tax adviser, the ITAT Order and CITA Order may be subject to further appeal by the tax authority in India against the issues decided in favour of Linmark HK. In view of this uncertainty, the Group will not recognise the tax credit in the profit and loss accounts until the refund of tax previously paid is certain.

Hong Kong Tax Case

Reference is made to the disclosure under the paragraph headed "Hong Kong Tax Case" in the Management Discussion and Analysis section of the annual report of the Company for the year ended 30 April 2011 ("**2011 Annual Report**") regarding certain enquiries previously received from the Inland Revenue Department in Hong Kong on the modus operandi of the Group and the chargeability of the profits thereof ("**HK Tax Case**").

There is no further development on the HK Tax Case since the last financial year ended 30 April 2011. The Group maintains the view that there are sufficient grounds to support the tax filings for the years of assessment for 2003/2004 and 2004/2005.

Financial Review

The Group's financial position remains healthy with cash and cash equivalents of approximately US$20.0 million (equivalent to HK$156.0 million) as at 31 October 2011. In addition, the Group has total banking facilities of approximately US$32.9 million (equivalent to HK$256.6 million) including borrowing facilities of approximately US$0.4 million (equivalent to HK$3.1 million) as at 31 October 2011.

The Group has a current ratio of 1.6 and a gearing ratio of 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. There has not been any material change in the Group's borrowings since 31 October 2011.

Affected by the seasonality in the Group's business with higher revenue in the first half of the financial year than in the second half of the financial year, trade receivables increased from approximately US$5.1 million (equivalent to HK$39.8 million) as at 30 April 2011 to approximately US$9.2 million (equivalent to HK$71.8 million) as at 31 October 2011. Trade receivables aged over 90 days, which amounted to approximately US$1.2 million (equivalent to HK$9.4 million), are being carefully monitored by the management.

The Group's net asset value as at 31 October 2011 was approximately US$38.8 million (equivalent to HK$302.6 million).

The Group had no material contingent liability as at 31 October 2011 and there has been no material change since then.

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

Remuneration Policy and Staff Development Scheme

As at 31 October 2011, the Group had 416 staff (as at 31 October 2010: 484 staff). The total staff costs for the period under review amounted to approximately US$7.4 million (equivalent to HK$57.7 million) (2010: US$7.9 million (equivalent to HK$61.6 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.

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

On 28 July 2009, 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 ("**Administration**"), pursuant to which joint administrators ("**Administrators**") of LEL were appointed ("**Appointment**") pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986 of the UK. Upon the Appointment, the legal control of business of LEL was transferred 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 have ceased to be consolidated with those of the Group upon the Appointment.

As stated in the announcement of the Company dated 27 January 2010, according to the Administrators, on 25 January 2010 (UK time), LEL moved from Administration to creditors' voluntary liquidation ("**Liquidation**") and the Administrators were appointed the liquidators ("**Liquidators**") pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986 of the UK and as approved by the creditors of LEL.

The Liquidators will adjudicate creditor claims, following which they anticipate paying a dividend to creditors of LEL. The level of dividend will not be known until all creditor claims have been agreed, asset realisations finalised and the costs of the Liquidation provided for. Following this process, the Liquidators will take steps to dissolve LEL.

As disclosed in the interim report of the Company for the six months ended 31 October 2009, the unaudited total net liabilities of LEL included in the consolidated statement of financial position of the Group amounted to approximately US$5.3 million (equivalent to HK$41.3 million). Upon the commencement of the Liquidation, a non-cash profit of approximately US$5.3 million (equivalent to HK$41.3 million) was recognised in the consolidated income statement for the year ended 30 April 2010 of the Group as a gain on liquidation of a subsidiary. Save for the gain on liquidation of a subsidiary as mentioned above and the dividend payment from LEL (the quantum of which, if any, is uncertain), at present, the Board does not expect the Liquidation to have any other material impact on the Group.

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 our 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. However, in view of the Group's firm business foundation, the management maintains an overall positive outlook on its long term prospects.

INTERIM DIVIDEND

The Directors have declared the payment of an interim dividend of 0.88 HK cent per ordinary share in respect of the six months ended 31 October 2011 and such interim dividend will be paid in cash on or about 18 January 2012 to shareholders whose names appear on the register of members of the Company on 6 January 2012.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to the interim dividend for the period under review, the register of members of the Company will be closed from Wednesday, 4 January 2012 to Friday, 6 January 2012, both days inclusive. In order to qualify for the interim 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 Tuesday, 3 January 2012.

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 period under review.

REVIEW OF RESULTS

The unaudited condensed consolidated interim financial information of the Group for the six months ended 31 October 2011 have been reviewed by Ernst & Young, the external auditors of the Company, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. 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 review of the Group's unaudited condensed consolidated interim financial information for the six months ended 31 October 2011.

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

CORPORATE GOVERNANCE

During the period under review, the Board reviewed the establishment of the Board committees, their compositions and terms of reference. Having considered the reduced Board size and the identical composition of the executive committee and investment committee, the Board dismissed the investment committee and merged the functions of the investment committee with those of the executive committee. Following this change, there are three Board committees, namely, audit committee, remuneration committee and executive committee and the terms of reference of the executive committee were extended to include the functions of the former investment committee.

The Board also amended the terms of reference of the remuneration committee so that there would be no more deviation in such terms of reference from the Code Provisions (as defined below). Following this change, the Board as a whole is responsible for determining the remuneration of non-executive Directors whereas the remuneration committee would continue to have the authority to approve the remuneration of the executive Directors and senior management as well as share options related matters.

A corporate governance report has been published and included in the 2011 Annual Report, in which the Company reported the adoption of most of the Code Provisions ("**Code Provisions**") as stated in Appendix 14 to the Listing Rules, as amended, as the Code on Corporate Governance Practices of the Company, save for the deviation from Code Provision A.2.1 and the modifications made to Code Provision B.1.3.

Following the above-mentioned change to the terms of reference of the remuneration committee, the Company has fully complied with the Code Provisions during the period under review save for the deviation from Code Provision A.2.1.

Code Provision A.2.1

Mr. WANG Lu Yen, the chairman of the Company, is also the chief executive officer of the Company. Such practice deviates from Code Provision A.2.1 which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

In view of Mr. WANG Lu Yen's extensive experience in the industry and in-depth knowledge of the Group's operation and business, the Board believes that Mr. Wang is instrumental in formulating and implementing the Group's strategies. The Board expects that the Group will benefit from a unified chairman and chief executive officer position that provides clarity of leadership and allows efficient decision-making in strategies matters as well as the Group's day-to-day business. However, as the corporate needs of the Group may change from time to time, the Board will review regularly the Board composition and division of responsibilities to ensure balance of power and corporate governance appropriate for the size and structure of the Group's business.

Save as disclosed above, the corporate governance practices adopted by the Company during the period under review are in line with those practices set out in the 2011 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 period 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 price-sensitive 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.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises two executive Directors, being Mr. WANG Lu Yen (Chairman and Chief Executive Officer) and Mr. WONG Hing Lin, Dennis (Chief Financial Officer), one non-executive Director, being Mr. WONG Wai Ming 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 INTERIM 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 2012 interim report will be despatched to the shareholders and available on the same websites on or about 22 December 2011.

By Order of the Board
WANG Lu Yen
Chairman & Chief Executive Officer

Hong Kong, 15 December 2011

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*