

Chairman's Statement

主席報告書



On behalf of the board (“Board”) of directors (“Directors”), I present the results of Linmark Group Limited (“Linmark” or the “Company”, together with its subsidiaries, the “Group”) for the year ended 30 April 2006.

Fiscal year 2006 was challenging for Linmark with both oil price and interest rate climbing continuously. Consumer sentiment, particularly in the US market, was inevitably affected by the uncertain market conditions. For the year under review, the Group's bottom line fell short of our expectation; nevertheless, we managed to diversify our customer base and broaden our product portfolio by including consumer electronic products on our sourcing list. It has always been our strategic goal to extend our geographical reach and product offerings to balance our revenue streams. I am delighted to see the Group adhering to this plan and realising the set goals.

In the second half of fiscal year 2006, we set up a new division — Linmark Electronics, comprising ISO International Holdings Limited (“ISO International”) and Dowry Peacock Group Limited (“Dowry Peacock”), to offer to customers comprehensive supply chain management services. The new division has created synergistic benefits for the Group's business as it presented cross-selling opportunities between new and existing customers of the Group.

Linmark completed the acquisition of 60% interest in Dowry Peacock in October 2005, a UK-based consumer electronic products brand owner and supply chain management company. The acquisition boosted the Group's performance in Europe, and also expanded the scope of its product offerings. During the year under review, the performance of Dowry Peacock was affected by the weak GBP against USD and volatility in the consumer electronic sector in the European market. It did not attain the set profit target. However, the acquisition brought to the Group a list of new and

本人謹代表董事會（「董事會」），提呈林麥集團有限公司（「林麥」或「本公司」），連同其附屬公司統稱為「本集團」截至二零零六年四月三十日止年度的業績報告。

二零零六年財政年度，油價及利率不斷攀升，對林麥而言確為具挑戰的一年。無可避免的是，消費者情緒，尤以美國市場為甚，受到不明朗市場情況所影響。於本回顧年度，本集團的盈利未及預期般理想；然而，我們已將消費電子產品列入採購名單之內，以擴大我們的客戶基礎以及產品組合。本集團的策略性目標一直是擴闊地域版圖以及增加產品類別，藉以我們的收益來源取得平衡。本人對本集團能落實此計劃並實現所定目標感到欣喜。

於二零零六年財政年度的下半年，集團成立了一個新部門——林麥電子產品部，包括 ISO International Holdings Limited（「ISO International」）及 Dowry Peacock Group Limited（「Dowry Peacock」），為客戶提供全面的供應鏈管理服務。由於新部門可為本集團新客戶與現有客戶提供交叉銷售的機會，因而為本集團的業務締造協同效益。

林麥於二零零五年十月完成收購 Dowry Peacock 的 60% 權益，Dowry Peacock 為一間以英國為基地之消費電子產品品牌擁有者及供應鏈管理公司。此項收購大大提升了本集團在歐洲的業務表現，同時亦使我們的產品類別更加多元化。於本回顧年度，Dowry Peacock 的表現受到英鎊兌美元疲弱的表現以及消費電子業於歐洲市場表現反覆所影響，Dowry Peacock 尚未達到所定的溢利目標。然而，此項收購已為本集團招攬全新

valuable customers with whom the Group will actively explore cross-selling opportunities.

I am pleased to report that during the year under review, the Group announced two senior executive appointments. On 28 February 2006, Linmark announced the appointment of Mr. Peter Loris SOLOMON as our new chief executive officer. Mr. Solomon has been a director and chief executive of Tamarind International Limited ("Tamarind") since April 1991. The Tamarind business was acquired by the Group in December 2004. Mr. Solomon has over 18 years of experience in supply chain management. Additionally, Mr. WONG Hing Lin, Dennis was appointed as the chief financial officer of the Group on 24 January 2006.

The new management reviewed the Group's structure and marketing strategies in the past few months and deemed a restructuring appropriate to see the Group excel. Initially, the Group reorganised its operational functions under four Strategic Business Units ("SBU"), which has allowed more focused allocation of resources to enhance operational efficiencies and lower operating cost. The consolidation will also create synergies for existing services offered by the Group's different divisions and create a uniform platform for its future growth. Our next target is to derive more cross-selling opportunities among the divisions.

In addition, the new management is also assessing the Group's global infrastructure with the aim of controlling operating cost at a reasonable level. The Group has or in the process of shutting down non-performing operations to sharpen competitiveness. We are confident that Linmark will benefit at reduced operating cost in the future.

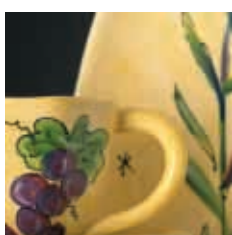
且重要的客戶，本集團藉此將積極發掘交叉銷售的機會。

本人謹此欣然呈報，本集團於本回顧年度宣佈委任兩位高級行政人員。於二零零六年二月二十八日，林麥宣佈委任 Peter Loris SOLOMON 先生為本集團新任行政總裁。Solomon 先生自一九九一年四月以來一直擔任 Tamarind International Limited (「Tamarind」) 的董事兼行政總裁。本集團於二零零四年十二月收購了 Tamarind 的業務。Solomon 先生具備超過十八年有關供應鏈管理的經驗。另外，黃慶年先生亦於二零零六年一月二十四日獲委任為本集團的財務總裁。

在過去數月以來，全新管理層已檢討本集團的架構及市場推廣策略，認為進行重組將令本集團發揮超卓的表現。本集團初步按照四個策略性業務單位(「策略性業務單位」)重組其營運功能。此舉已使本集團更加專注資源分配，提高營運效率並減低營運成本。此外，是次的整合亦將為本集團各個部門所提供現有的服務帶來協同效益，為本集團日後的增長建立一個統一平台。我們下一項目標乃為各部門間發掘更多交叉銷售的機會。

此外，新管理層為將營運成本維持於合理水平，目前正評核本集團的全球網絡。本集團已經或正在終止表現不佳的業務以提升競爭力。我們深信，減低營運成本將為林麥日後帶來裨益。





Looking forward, to fortify our position as a one-stop supply chain management provider, we will examine the feasibility of adding a new product category in our portfolio. This will be done with prudence to safeguard against over investment.

Moreover, we have established policies to help improve the business performance of Dowry Peacock. We believe that the acquisitions undertaken after listing have not only equipped the Group with new skills, but have also given us solid backing to integrate different divisions for maximum synergies and added opportunities for growth.

We will continue to restructure our business units in fiscal year 2007, and we look forward to seeing the fruits of our efforts before the end of the year. In the meantime, acquisition continues to be our long-term strategy to accelerate growth as well as diversify our product scope or into different markets.

Although we see short-term set-back, we are optimistic about Linmark's long-term development.

Finally, I would like to extend my gratitude to our management team for their hard work and continuous effort in the past year, and our shareholders for their unwavering support to the Group over the years.

WANG Lu Yen
Chairman

Hong Kong, 28 June 2006

展望未來，為鞏固本集團作為一站式供應鏈管理供應商的地位，我們將評估為產品組合增加新產品類別的可行性。本集團將審慎行事避免過度投資。

另外，我們已制定能協助改善 Dowry Peacock 業務表現的政策。我們相信，自上市以來所進行的收購事項，不僅為本集團提供新技能，亦為整合不同部門奠定穩固的基石，藉以帶來最佳的協同效益以及額外的增長契機。

於二零零七年財政年度，我們將繼續重組業務單位，冀能於年底前取得成果。同時，收購將繼續是本集團的長遠策略以加速業務增長、擴大我們的產品類別或打入不同的市場。

儘管我們預期集團短期內的表現有所滯後，但我們對林麥長遠發展抱樂觀的態度。

最後，本人謹對本集團管理團隊衷心致意，感激他們過去一年盡忠職守，努力不懈。此外，本人感謝股東多年來對本集團堅定不移的支持。

王祿閻
主席

香港，二零零六年六月二十八日