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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Linmark Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE 2011 SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

A notice convening the 2011 annual general meeting of Linmark Group Limited to be held on Monday, 29 August 2011 at 3:00 p.m. at Showcase 2B, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong is set out on pages 29 to 33 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof (as the case may be) if you so wish.

28 July 2011

CONTENTS

	<i>Page</i>
Responsibility statement	ii
Definitions	1
Letter from the Board	
Introduction	6
Termination of the Existing Share Option Scheme and adoption of the 2011 Share Option Scheme	7
General mandates to issue and repurchase Shares	8
Re-election of Directors	9
Annual General Meeting	9
Action to be taken	9
Recommendation	9
Voting by poll	10
Documents available for inspection	10
Additional information	10
Appendix I – Summary of the principal terms of the 2011 Share Option Scheme	11
Appendix II – Explanatory statement on the Repurchase Mandate	22
Appendix III – Details of Directors subject to re-election	25
Notice of the Annual General Meeting	29

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the 2011 Share Option Scheme is adopted by the Shareholder(s) in general meeting or by way of written resolution of the Shareholder(s)
“Annual General Meeting”	the forthcoming annual general meeting of the Company to be held at Showcase 2B, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, on Monday, 29 August 2011 at 3:00 p.m., notice of which is set out on pages 29 to 33 of this circular
“associate(s)”	has the same meaning as defined in rule 1.01 of the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for securities trading
“Bye-laws”	the bye-laws of the Company adopted pursuant to the written resolution of the then sole Shareholder passed on 22 April 2002, as amended from time to time
“Company”	Linmark Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Company Act”	the Companies Act 1981 of Bermuda
“connected person”	has the meaning ascribed to it under rule 1.01 of the Listing Rules

DEFINITIONS

“Controlling Shareholder” any person who has the power, directly or indirectly, to secure:

- (i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Takeovers Code (approved by the Securities and Futures Commission as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company; or
- (ii) by means of controlling the composition of a majority of the Directors; or
- (iii) by virtue of any powers conferred by the constitutional document of the Company or any other corporation;

that the affairs of the Company are conducted in accordance with the wishes of such person

“Directors” directors of the Company

“Eligible Person(s)” means:

- (i) (a) any Director or proposed Director (whether executive or non-executive, including any independent non-executive Director), employee or proposed employee (whether full time or part time) of; or
- (b) any individual for the time being seconded to work for;

any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category A Eligible Person**”); or

- (ii) any holder of any securities issued by any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category B Eligible Person**”); or

DEFINITIONS

(iii) (a) any business partner, agent, consultant or representative of, or any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to; or

(b) any supplier of goods or services to; or

(c) any customers of;

any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category C Eligible Person**”);

and, for the purposes of the 2011 Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants

“Existing Share Option Scheme”	the Company’s existing share option scheme adopted on 22 April 2002
“Extension Mandate”	an authorisation to extend the Share Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 July 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for Share(s) pursuant to the 2011 Share Option Scheme

DEFINITIONS

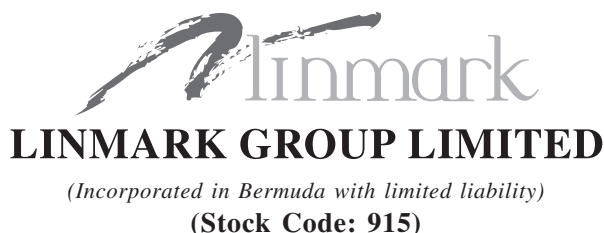
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to purchase Shares of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Scheme Period”	the period commencing from the Adoption Date and expiring at the close of business on the tenth anniversary thereof
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of US\$0.02 each in the share capital of the Company
“Share Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company
“substantial shareholder”	has the meaning ascribed to it under rule 1.01 of the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “cents”	Hong Kong dollars and cents respectively
“US\$”	United States dollars

DEFINITIONS

“2011 Share Option Scheme” the new share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in the Appendix I to this circular

“%” per cent.

LETTER FROM THE BOARD



Executive Directors:

Mr. WANG Lu Yen
(Chairman and Chief Executive Officer)
Mr. WONG Hing Lin, Dennis
(Chief Financial Officer)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. WONG Wai Ming

*Head office and principal place
of business in Hong Kong:*

1123, Kowloonbay International
Trade & Exhibition Centre
1 Trademart Drive, Kowloon Bay
Kowloon, Hong Kong

Independent non-executive Directors:

Mr. WANG Arthur Minshiang
Mr. TSE Hau Yin, Aloysius
Mr. Jakob Jacobus Koert TULLENERS

28 July 2011

To the Shareholders

Dear Sir or Madam,

**TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE 2011 SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, among other businesses, ordinary resolutions to approve the termination of the Existing Share Option Scheme, adoption of the 2011 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

LETTER FROM THE BOARD

Adoption of the 2011 Share Option Scheme is subject to the passing of an ordinary resolution by the Shareholders to approve its adoption and to authorise the Directors to grant Options thereunder and to issue and allot Shares pursuant to the exercise of the subscription rights under the Options granted pursuant to the 2011 Share Option Scheme at the Annual General Meeting. The adoption of the 2011 Share Option Scheme will also be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options on the Stock Exchange (which may be subject to conditions and limitations). Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options which may be granted under the 2011 Share Option Scheme.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE 2011 SHARE OPTION SCHEME

The Directors proposed to adopt the 2011 Share Option Scheme, the principal terms of which are set out in the Appendix I to this circular. The Existing Share Option Scheme was adopted by the Company on 22 April 2002 which will expire on 22 April 2012. The purpose of the 2011 Share Option Scheme is to enable the Group to grant Options to the Eligible Persons as incentives or rewards for their contribution to the Group. The Directors considered that the 2011 Share Option Scheme, which will be valid for 10 years from the date of its adoption, will give the Company the flexibility of granting of share options to Eligible Persons after the expiry of the Existing Share Option Scheme. The 2011 Share Option Scheme does not provide for any minimum period for holding of Options or any performance target before exercise of Options which can be otherwise determined by the Board or a duly authorised committee as it considers appropriate. Under the 2011 Share Option Scheme, the Board or a duly authorised committee will have discretion in determining the subscription price (subject to the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors to determine the subscription price will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole.

As at the Latest Practicable Date, there were 17,325,000 options granted but not yet exercised under the Existing Share Option Scheme. Termination of the Existing Share Option Scheme is subject to Shareholders' approval and conditional upon the adoption of the 2011 Share Option Scheme.

Value of the Options

The Directors consider that it is not appropriate to state the value of the Options that may be granted pursuant to the 2011 Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options which have not been determined. Such variables include the subscription price, the option period and all other relevant variables.

LETTER FROM THE BOARD

Scheme mandate limit and maximum number of Shares issuable

Subject to obtaining of the Shareholders' approval of the adoption of the 2011 Share Option Scheme, pursuant to rule 17.03 of the Listing Rules, the total number of Shares which may be issued upon the exercise of all the Options to be granted under the 2011 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the adoption of the 2011 Share Option Scheme initially. Based on the 683,069,279 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the Annual General Meeting, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the 2011 Share Option Scheme under such initial mandate limit is 68,306,927 Shares. The Company may seek approval of the Shareholders in general meetings to refresh the 10% initial mandate limit. Notwithstanding that the mandate limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding Options granted but yet to be exercised under the 2011 Share Option Scheme and any other share option schemes of the Company which entitle the holders to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 27 August 2010, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to purchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the Annual General Meeting. As at the Latest Practicable Date, no Shares have been issued and no Shares have been repurchased pursuant to these mandates. At the Annual General Meeting, among other businesses, resolutions will be proposed to grant the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

Subject to the passing of the proposed resolution for the grant of the Share Issue Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the Share Issue Mandate to issue up to a maximum of 136,613,855 Shares, being 20% of the issued share capital of the Company as at the Latest Practicable Date.

Each of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate will continue in force until the conclusion of the annual general meeting of the Company next following the Annual General Meeting or any earlier date as referred to in resolutions numbered 5 and 6 set out in the notice of the Annual General Meeting.

Under the Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules is set out in Appendix II to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Mr. WONG Hing Lin, Dennis, in accordance with Bye-law 86(2) of the Bye-laws, will retire at the Annual General Meeting and being eligible, offer himself for re-election. Mr. WONG Wai Ming and Mr. WANG Arthur Minshiang, in accordance with Bye-laws 87(1) and 87(2) of the Bye-laws, will retire at the Annual General Meeting and being eligible, offer themselves for re-election. Details of the retiring Directors that are required to be disclosed under the Listing Rules are set out in Appendix III to this circular.

ANNUAL GENERAL MEETING

Set out on pages 29 to 33 of this circular is a notice convening the Annual General Meeting at which, among other businesses, resolutions will be proposed to approve the termination of the Existing Share Option Scheme, adoption of the 2011 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors. No Director has a material interest and is required to abstain from voting for the resolutions proposed to be approved at the Annual General Meeting. A form of proxy for use at the Annual General Meeting is enclosed with this circular.

ACTION TO BE TAKEN

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) if you so wish.

RECOMMENDATION

The Directors consider that the proposed termination of the Existing Share Option Scheme and adoption of the 2011 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors are in the best interests of the Company and the Shareholders and recommend the Shareholders to vote in favour of the resolutions set out in the notice of the Annual General Meeting.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the Chairman will demand a poll for all the resolutions put to the vote at the Annual General Meeting pursuant to Bye-law 66 of the Bye-laws.

After the Annual General Meeting, the poll results will be published on the respective websites of the Stock Exchange and the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

A summary of the principal terms of the rules of the 2011 Share Option Scheme is set out in the Appendix I to this circular. A copy of the rules of the 2011 Share Option Scheme will be available for inspection at the office of the Company at 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, during normal business hours on any Business Day from the date of this circular to and including the date of the Annual General Meeting (and any adjournment thereof, as the case may be).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular and the notice of the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
WANG Lu Yen
Chairman and Chief Executive Officer

The following is a summary of the principal terms of the rules of the 2011 Share Option Scheme proposed to be adopted at the Annual General Meeting.

A. DEFINITIONS

For the purpose of this Appendix, the following expressions have the meanings set forth below unless the context requires otherwise:

“Board”	means the board of Directors or a duly authorised committee thereof
“Group”	means the Company and any entity in which the Company, directly or indirectly, holds any equity interest

B. SUMMARY OF TERMS**(i) Purpose of the 2011 Share Option Scheme**

The purpose of the 2011 Share Option Scheme is to enable the Board to grant Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the Group.

(ii) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant Options to any Eligible Person to subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the 2011 Share Option Scheme.

The basis of eligibility of any of the Eligible Persons to the grant of options shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(iii) Option price for subscription of Shares

The Option price per Share payable on the exercise of an Option is to be determined by the Board provided always that it shall be at least the higher of:

- (aa) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of an Option is accepted by the Eligible Person), which must be a Business Day; and

- (bb) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of offer of grant, provided that the Option price per Share shall in no event be less than the nominal amount of one Share.

(iv) Grant of Options and acceptance of offers

Any offer to grant an Option shall be made in writing by deed. No offer of grant of Options shall be made:

- (aa) after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules by the Company; and
- (bb) during the period commencing one month immediately preceding the earlier of:
 - (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (2) the deadline of the Company to publish an announcement of its results for any year or half-year, under the Listing Rules, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements.

An offer for the grant of Options must be accepted within 30 days inclusive of the day on which such offer was made. No consideration is required to be paid by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option.

(v) Maximum number of Shares

- (aa) Subject to sub-paragraphs (bb) and (cc) below, the maximum number of Shares issuable upon exercise of all Options to be granted under the 2011 Share Option Scheme and any other share option schemes of the Company as from the commencement of the Scheme Period (excluding, for this purpose, Options which have lapsed in accordance with the terms of the 2011 Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue at the date of approval of the 2011 Share Option Scheme (the "**Scheme Mandate**"). The Shares underlying any Options granted under the 2011 Share Option Scheme or any other share option schemes of the Company which have been cancelled (but not Options which have lapsed) will be counted for the purpose of the Scheme Mandate.

- (bb) The Scheme Mandate may be refreshed at any time by issuing a circular to the Shareholders to, among other matters, convene a general meeting for the purpose of refreshing the Scheme Mandate and obtaining approval of the Shareholders at such general meeting provided that the new limit under the renewed Scheme Mandate must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such refreshed Scheme Mandate. Options previously granted under the 2011 Share Option Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2011 Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the refreshed Scheme Mandate.
- (cc) The Company may also, by issuing a circular to the Shareholders to, among other matters, convene a general meeting for the purpose of refreshing the Scheme Mandate and obtaining separate approval of the Shareholders at such general meeting, grant Options beyond the Scheme Mandate provided the Options in excess of the Scheme Mandate are granted only to Eligible Persons specifically identified by the Company before such approval is sought.
- (dd) The aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2011 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

(vi) Maximum entitlement of each Eligible Person

The maximum number of Shares issued and to be issued upon exercise of Options granted under the 2011 Share Option Scheme and any other share option schemes of the Company to any Eligible Person (including both cancelled, exercised and outstanding options), in any 12-month period up to the date of the latest grant shall not exceed 1% of the Shares in issue for the time being. Any further grant of Options in excess of such limit must be separately approved by Shareholders in general meeting and the issue of a circular with such Eligible Person and his associates abstaining from voting.

(vii) Grant of Options to certain connected persons

- (aa) Any grant of an Option to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option).
- (bb) Where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of

Options already granted and to be granted to such person under the 2011 Share Option Scheme and any other share option schemes of the Company (including Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:

- (1) representing in aggregate over 0.1% of the Shares in issue; and
- (2) having an aggregate value, based on the closing price of the Shares at each date of grant, in excess of HK\$5 million, such further grant of Options is required to be approved by Shareholders in general meeting in accordance with the Listing Rules. Any change in the terms of an Option granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders.

The Company must send a circular to the Shareholders for seeking approval on the matter referred to in the sub-paragraph (bb) above. All connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at such general meeting to approve the grant of such Options must be taken on a poll.

(viii) Time of exercise of Option

An Option may be exercised in accordance with the terms of the 2011 Share Option Scheme at any time during a period commencing on such date on or after the date on which the Option is granted as the Board may determine in granting the Option and expiring at the close of business on such date as the Board may determine in granting the Option but in any event shall not exceed 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the Option is accepted).

(ix) Performance targets

Save as determined by the Board and provided in the offer of the grant of the relevant Options, there is no performance target which must be achieved before any of the Options can be exercised.

(x) Ranking of Shares

If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to Shareholders on the register on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares allotted upon

the exercise of an outstanding Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of such exercise. Shares allotted upon the exercise of an Option for the time being outstanding shall not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof.

(xi) Rights are personal to grantee

An Option shall not be transferable or assignable and shall be personal to the grantee of the Option.

(xii) Rights of exercise for grantees who were Category A Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category A Eligible Person ceases to be such a Category A Eligible Person:

- (aa) by reason of ill-health or injury or disability or death, then he or (as the case may be) his personal representatives may exercise his outstanding Option within six months or up to the expiration of the relevant Option period, whichever is earlier, failing which the Option will lapse; or
- (bb) because the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his employment or engagement with, or secondment to, which he qualified as a Category A Eligible Person at the time the Option was granted ceases to be a member of the Group or a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then he may exercise his outstanding Option within six months or up to the expiration of the relevant Option period, whichever is earlier, failing which the Option will lapse; or
- (cc) by reason of retirement in accordance with his contract of employment or service, then he may exercise his outstanding Option within six months after he so ceases or, if the Board in its absolute discretion determine, within six months following the date of his sixtieth birthday where the retirement takes effect or up to the expiration of the relevant Option period, failing which the Option will lapse; or
- (dd) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding Options shall lapse on the date he so ceases; or

- (ee) on the grounds that he has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Options shall lapse automatically on the date of his ceasing to be an Eligible Person; or
- (ff) for any other reason, any Options exercisable at the date he so ceases may be exercised within three months of the date he so ceases, failing which the Option will lapse, provided always that in each case the Board in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determined subject to such conditions or limitations as it may decide.

(xiii) Rights of exercise for grantees who were Category B Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category B Eligible Person:

- (aa) ceases to be a Category B Eligible Person by reason that such grantee ceases to be a holder of any securities issued by the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by a Controlling Shareholder, then his outstanding Option shall lapse on the date he so ceases; or
- (bb) ceases to be a Category B Eligible Person because the relevant member of the Group by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a member of the Group, then he may exercise his outstanding Option within six months after he so ceases or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse; or
- (cc) ceases to be a Category B Eligible Person because the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then his outstanding Option shall lapse on the date he so ceases; or
- (dd) (if the grantee is an individual) dies, then his personal representative may exercise his outstanding Option within six months after his death or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse; or

(ee) has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Option shall lapse automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be), provided always that in each case the Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xiv) Rights of exercise for grantees who were Category C Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category C Eligible Person:

- (aa) has, in the absolute determination of the Board, committed any breach of contract entered into between such Eligible Person and the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, then his outstanding Option shall lapse and determine automatically on the Board's determination as aforesaid; or
- (bb) has committed any act of bankruptcy or become insolvent or made any arrangements or composition with his creditors generally or committed any serious misconduct or been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Options shall lapse and determine automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be); or
- (cc) and (if he is an individual) dies, then his personal representatives may exercise his outstanding Option within six months after his death or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse, provided always that in each case the Board in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xv) Rights on exercise for grantees which were companies controlled by any of the Eligible Persons

In respect of any Option granted to a company which qualified as an Eligible Person because it was a company controlled by a person (“**Such Person**”) who was a Category A Eligible Person or Category B Eligible Person or Category C Eligible Person:

- (aa) the relevant provisions set out in paragraph (xii), or (xiii), or (xiv) (as the case may be) would apply to its outstanding Option as if the Option had been granted to Such Person; and
- (bb) its outstanding Option shall lapse on the date it ceases to be a company controlled by Such Person, provided always that in each case the Board in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xvi) Failure to meet continuing eligibility criteria

If the Board in the offer granting the relevant Option has specified that the grantee has to meet certain continuing eligibility criteria and that the failure of the grantee to meet any such continuing eligibility criterion would entitle the Company to cancel the Option then outstanding (or part thereof), then upon the failure of the grantee to meet any such continuing eligibility criterion, his outstanding Option shall lapse and determine on the date the Board exercises the Company’s right to cancel the Option on the ground of such failure.

(xvii) Rights on a general offer

If, in consequence of any general offer made to all the Shareholders, other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror, the grantee of an Option shall, subject to paragraph (viii) above, be entitled to exercise at any time within a period of 14 days after such control has been obtained by the offeror any Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

(xviii) Rights on winding-up

If notice is given by the Company to its Shareholders of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice to all grantees of Options and each grantee shall be entitled, at any time no later than two Business Days prior to the proposed general meeting of the Company to exercise any of his outstanding Options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

(xix) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company pursuant to the Companies Act, notice of the relevant meeting shall be given to the grantees of Options on the same day notice is given to the Company's members and creditors, and thereupon each grantee (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing on such date and ending on the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his Option, but such exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all Options will lapse.

(xx) Lapse of Options

An Option shall lapse automatically on the earliest of:

- (aa) the expiry of the period referred to in paragraph (viii) above;
- (bb) the date on which the grantee commits a breach of paragraph (xi) above, if the Board shall exercise the Company's right to cancel the Option;
- (cc) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph (xii), (xiii), (xiv), (xv) or (xvi) above; and
- (dd) the expiry of any of the relevant periods referred to in paragraph (xviii) and (xix) above.

(xxi) Cancellation of Options granted but not yet exercised

Following the cancellation of any Options granted under the 2011 Share Option Scheme but not exercised, new Options may only be granted to the same grantee under the 2011 Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit of the Scheme Mandate then available to the Board.

(xxii) Effects of alterations to capital

In the event of any reduction, sub-division or consolidation of the share capital of the Company or any capitalisation issue or rights issue, the number of Shares comprised in each Option for the time being outstanding and/or the Option price may be adjusted in such manner as the Board (having, except in the case of an issue of Shares by way of the capitalisation of profits or reserves, received a statement in writing from the auditors of the Company or an independent financial adviser appointed for such purpose that in their opinion the adjustments proposed are fair and reasonable) may deem appropriate, provided always that the grantee shall have the same proportion of the equity capital of the Company as that to which he was entitled before such adjustments, and that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction will not be regarded as a circumstance requiring adjustment.

(xxiii) Period of the 2011 Share Option Scheme

The 2011 Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the 2011 Share Option Scheme is adopted by the Shareholders of the Company at the Annual General Meeting and shall expire at the close of business on the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

(xxiv) Alteration to the 2011 Share Option Scheme

- (aa) No amendment shall be made to the terms and conditions of the 2011 Share Option Scheme which extends the class of Eligible Persons, or alters to the advantage of the grantees of the Options (present or future) relating to matters governed by rule 17.03 of the Listing Rules except with the prior approval of the Shareholders in general meeting.
- (bb) Any amendments to any terms of the 2011 Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the 2011 Share Option Scheme.
- (cc) Any change to the authority of the Board or the scheme administrator (if any) in relation to any alteration to the terms of the 2011 Share Option Scheme must be approved by Shareholders in general meeting.

(dd) Any amendment to any terms of the 2011 Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

(xxv) Termination of the 2011 Share Option Scheme

The Company may, with the approval in general meeting of the Shareholders, terminate the 2011 Share Option Scheme at any time following which no further grant of Options shall be offered but in all other respects the rules of the 2011 Share Option Scheme shall continue in full force and effect. Any Options granted prior to such termination, including Options exercised or outstanding, under the 2011 Share Option Scheme shall continue to be valid and exercisable in accordance with the rules of the 2011 Share Option Scheme.

(xxvi) Conditions of the 2011 Share Option Scheme

The 2011 Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options which may be granted under the 2011 Share Option Scheme.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors at the Annual General Meeting.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was US\$13,661,385.58 comprising 683,069,279 Shares.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 68,306,927 Shares, being 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 30 April 2011, being the date of its latest audited consolidated financial statements were made up to. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:

	Trading price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2010	0.870	0.295
August 2010	0.750	0.420
September 2010	0.600	0.440
October 2010	0.570	0.490
November 2010	0.730	0.450
December 2010	0.820	0.470
January 2011	0.570	0.470
February 2011	0.500	0.405
March 2011	0.495	0.385
April 2011	0.465	0.400
May 2011	0.480	0.400
June 2011	0.420	0.360
July 2011 (up to the Latest Practicable Date)	0.470	0.290

5. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, RGS Holdings Limited, being the controlling Shareholder of the Company, together with party acting in concert with it, Roly International Holdings Ltd. (which amalgamated with RI Special Holdings Bermuda Limited on 25 October 2007) and Mr. WANG Lu Yen, in aggregate held 477,655,619 Shares representing approximately 69.93% of the entire issued share capital of the Company. Assuming that there will be no change in the issued share capital of the Company and RGS Holdings Limited and party acting in concert with it do not dispose of their Shares nor acquire additional Shares prior to any repurchase of Shares and if the Repurchase Mandate were exercised in full, the percentage shareholding of RGS Holdings Limited together with party acting in concert with it would be increased to approximately 77.70% of the issued share capital of the Company. In such circumstances, RGS Holdings Limited and party acting in concert with it would not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, approximately 28.45% of the issued share capital of the Company was held by the public. Assuming that there will be no change in the issued share capital of the Company and the number of Shares held by the public prior to the repurchase of shares of the Company, and if the Repurchase Mandate were exercised in full, the percentage shareholding of the public would be less than 25% of the issued share capital of the Company. It is however not the intention of the Directors to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in less than 25% of the issued share capital of the Company being held by the public.

6. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares in the six months immediately preceding the Latest Practicable Date.

7. GENERAL

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

No connected person of the Company has notified the Company that he has a present intention to sell to the Company or its subsidiaries any Shares nor has any such connected person undertaken not to do so in the event that the Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

The following are the particulars of the three Directors proposed to be re-elected at the Annual General Meeting:

1. **Mr. WONG Hing Lin, Dennis**, aged 41, was appointed as an executive director of the Company with effect from 1 September 2010. Mr. Wong has been the chief financial officer of the Group since 2006 and oversees the finance, shipping, information technology and human resources functions of the Group. Prior to that, Mr. Wong was the head of corporate development department of Roly International Holdings Ltd. (“**Roly International**”), an intermediate holding company of the Company, primarily responsible for Roly International and the Group’s corporate development, mergers and acquisitions and investor relations activities. Before joining Roly International in 2000, Mr. Wong had worked at several major international financial institutions where he gained extensive experience in finance, investments and banking. Mr. Wong holds a Master of Business Administration degree in finance from Boston University in the United States (“**US**”), and a Bachelor of Science degree from The University of British Columbia in Canada.

The service agreement between the Company and Mr. Wong is for an initial term of three years commencing on 1 September 2010 which will continue thereafter. During the tenure, the appointment may be terminated by either party by giving to the other not less than six months’ notice in writing. Under the service agreement, the base salary of Mr. Wong shall be HK\$3,000,000 per annum and Mr. Wong is also entitled to a profit-based bonus determined at the discretion of the Board or a committee thereof established for such purpose. The remuneration package of Mr. Wong was determined by the Board by reference to the expanded responsibility of Mr. Wong and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong is the beneficial owner of 700,000 Shares and has been granted options carrying the right to subscribe for 3,782,500 Shares. Save as disclosed, as at the Latest Practicable Date, Mr. Wong did not have, and was not deemed to have, any interests in any other Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Wong does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Mr. Wong is also a director of certain subsidiaries of the Company. Save as disclosed, Mr. Wong does not hold any other position with the Company or any of its subsidiaries. Mr. Wong has not held any directorship in the last three years in listed public companies and does not have any other major appointments and professional qualifications. Mr. Wong is subject to retirement and re-election in accordance with the code on corporate governance practices and the Bye-laws.

Mr. Wong was a director of Linmark Electronics Limited (“**Linmark Electronics**”), a company incorporated in the United Kingdom (“**UK**”) and a 60% subsidiary of the Company, and resigned as its director on 28 July 2009.

As stated in the announcement of the Company dated 29 July 2009, on 28 July 2009 (UK time), Linmark Electronics filed a notice of appointment of administrators in the UK, pursuant to which joint administrators (“**Administrators**”) of Linmark Electronics (“**Appointment**”) were appointed pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986 of the UK. Upon the Appointment, the legal control of business of Linmark Electronics was transferred from the directors of Linmark Electronics to the Administrators and therefore, the financial results of Linmark Electronics 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), Linmark Electronics 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 Linmark Electronics.

The Liquidators will adjudicate creditor claims, following which they anticipate paying a dividend to creditors of Linmark Electronics. 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 Linmark Electronics.

As disclosed in the interim report of the Company for the six months ended 31 October 2009, the unaudited total net liabilities of Linmark Electronics 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 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 Linmark Electronics (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.

Linmark Electronics was principally engaged in the design and procurement of entertainment and consumer electronic products.

2. **Mr. WONG Wai Ming**, aged 53, is a non-executive director of the Company. Mr. Wong has been an independent non-executive director of the Company since it was listed in 2002 and was redesignated as an executive director of the Company in 2005 and then further redesignated as a non-executive director of the Company in 2007. Mr. Wong has been the chief financial officer and senior vice president of Lenovo Group Limited, a company listed on the Main Board of the Stock Exchange, since 2007. He is also an independent non-executive director of I.T Limited and China Unicom (Hong Kong) Limited, all of which are listed on the Main Board of the Stock Exchange. Mr. Wong was a non-executive director of Kingsoft Corporation Limited, the shares of which are also

listed on the Main Board of the Stock Exchange, from 2007 to 2010. Mr. Wong was an executive director and chief executive officer of Roly International from 2005 to 2007. He was previously an investment banker with over 16 years of experience in investment banking business in Greater China. Mr. Wong is a chartered accountant of the UK and an associate member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor's degree of Science (with Honours) in Management Sciences from The Victoria University of Manchester, the UK.

Save as disclosed, Mr. Wong has not held any directorship in the last three years in other listed public companies and does not have any other major appointments and professional qualifications. Save as disclosed, Mr. Wong does not hold any other position with the Company or any of its subsidiaries.

There is no service contract entered into between the Company and Mr. Wong. Pursuant to the letter of appointment entered into between the Company and Mr. Wong, Mr. Wong has been appointed as a non-executive director of the Company for a term of two years commencing on 5 July 2007 and will continue thereafter until terminated by either party by giving to the other party not less than one month's notice in writing. Mr. Wong is subject to retirement and re-election in accordance with the code of corporate governance practices and the Bye-laws. The emolument of Mr. Wong is HK\$259,200 per annum which was determined by reference to the emolument of other non-executive director of the Company and the prevailing market rate.

As at the Latest Practicable Date, Mr. Wong is the beneficial owner of 100,000 Shares and has been granted options to subscribe for 500,000 Shares. Save as disclosed, as at the Latest Practicable Date, Mr. Wong did not have, and was not deemed to have, any interests in any other Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wong does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

3. **Mr. WANG Arthur Minshiang**, aged 50, has been an independent non-executive director of the Company since 2002. Mr. Wang is also a member of the board and the former chief executive officer of GigaMedia Limited, a NASDAQ listed online entertainment and game provider. Mr. Wang is also a board and audit committee member of NASDAQ listed Home Inns & Hotels Management Inc., one of China's leading hotel chains. Previously, Mr. Wang was a co-founder and executive director of KGI Asia Limited, the investment banking arm of the Koos Group of Taiwan. Mr. Wang also serves on the board of directors of several finance and technology companies in the region and was previously a member of the board of Softbank Investment International (Strategic) Limited (now known as China Renji Medical Group Limited), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Wang received his Juris Doctorate degree from Yale Law School and practised corporate and securities law in Hong Kong and New York. He also holds a Bachelor of Arts degree from the University of California at Los Angeles, the US.

Save as disclosed, Mr. Wang has not held any directorship in the last three years in other listed public companies and does not have any other major appointments and professional qualifications. Save as disclosed, Mr. Wang does not hold any other position with the Company or any of its subsidiaries.

There is no service contract entered into between the Company and Mr. Wang. Pursuant to the letter of appointment entered into between the Company and Mr. Wang, Mr. Wang has been appointed as an independent non-executive director of the Company for a term of two years from 1 May 2002. His appointment has been renewed for a further two years in 2004, 2006, 2008 and 2010 respectively, and may be terminated by Mr. Wang by serving not less than one month's notice in writing. Mr. Wang is subject to retirement and re-election in accordance with the code of corporate governance practices and the Bye-laws. The emolument of Mr. Wang is HK\$259,200 per annum which was determined by reference to the emolument of other non-executive directors of the Company and the prevailing market rate.

As at the Latest Practicable Date, Mr. Wang is the beneficial owner of 260,000 Shares and has been granted options to subscribe for 312,500 Shares. Save as disclosed, as at the Latest Practicable Date, Mr. Wang did not have, and was not deemed to have, any interests in any other Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there are no other matters or information relating to the above Directors that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF THE ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Linmark Group Limited (“**Company**”) will be held on Monday, 29 August 2011 at 3:00 p.m. at Showcase 2B, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong to transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements and the reports of the directors and auditors for the year ended 30 April 2011;
- 2.1 each as a separate resolution, to re-elect the following retiring directors as directors of the Company:
 - 2.1.1 Mr. WONG Hing Lin, Dennis
 - 2.1.2 Mr. WONG Wai Ming
 - 2.1.3 Mr. WANG Arthur Minshiang
- 2.2 to authorise the directors to fix the directors’ remuneration for the year ending 30 April 2012;
3. to re-appoint Ernst & Young as the auditors of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the directors;

and, as special businesses, to consider and, if thought fit, pass the following resolutions, as ordinary resolutions, with or without modifications:

4. “**THAT** the new share option scheme of the Company (“**2011 Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarised in the circular of the Company dated 28 July 2011, be hereby approved and adopted and the directors of the Company or a duly authorised committee thereof be and are hereby authorised to do all such acts and to enter into

NOTICE OF THE ANNUAL GENERAL MEETING

all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2011 Share Option Scheme including without limitation:

- (a) administering the 2011 Share Option Scheme and granting options under the 2011 Share Option Scheme;
- (b) modifying and/or amending the rules of the 2011 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2011 Share Option Scheme relating to modification and/or amendment and the requirements of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”);
- (c) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the 2011 Share Option Scheme;
- (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the 2011 Share Option Scheme; and
- (e) conditional upon the 2011 Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 22 April 2002 be terminated with effect from the date on which this resolution shall become unconditional.”

5. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Listing Rules, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the additional shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which may require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which may require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval

NOTICE OF THE ANNUAL GENERAL MEETING

in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company, shall not exceed the aggregate of:

- (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to the shareholders of the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the

NOTICE OF THE ANNUAL GENERAL MEETING

directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (each a **“Share”**) of US\$0.02 each in the capital of the Company on the Main Board of the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

7. **“THAT** conditional on the passing of resolutions set out in the notice convening this meeting as resolutions numbered 5 and 6, the general mandate granted to the directors of the Company pursuant to the approval granted under the resolution set out in the notice convening this meeting as resolution numbered 5 above be and is

NOTICE OF THE ANNUAL GENERAL MEETING

hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate an amount representing the aggregate nominal amount of the share capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares pursuant to or in accordance with the authority granted under the resolution set out in the notice convening this meeting as resolution numbered 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board
CHEUNG Hoi Yin, Brenda
Company Secretary

Hong Kong, 28 July 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

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote on his behalf and such proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed with a circular of the Company dated 28 July 2011.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof (as the case may be) and in such event, the authority of the proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.