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LINMARK GROUP LIMITED

林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 915

ANNOUNCEMENT LIQUIDATION OF A 60% SUBSIDIARY CHANGE IN DIRECTORS' INFORMATION

This announcement of Linmark Group Limited (“**Company**”, together with its subsidiaries is referred to as the “**Group**”) is made in accordance with Rule 13.25(1) and 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

CREDITORS' VOLUNTARY LIQUIDATION OF A 60% SUBSIDIARY

Reference is made to an announcement (“**July 2009 Announcement**”) of the Company dated 29 July 2009 in relation to the appointment of administrators of Linmark Electronics Limited (“**Linmark Electronics**”), a company incorporated in the United Kingdom (“**UK**”) and a 60% subsidiary of the Company. As stated in the July 2009 Announcement, on 28 July 2009 (UK time), Linmark Electronics filed a notice of appointment of administrators in the UK, pursuant to which Messrs. Jason BAKER and Geoffrey ROWLEY, both of Vantis Group Limited, were appointed joint administrators (“**Administrators**”) of Linmark Electronics (“**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 Linmark Electronics 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 since the Appointment.

The board of directors (“**Board**”) of the Company announces that, according to the Administrators, on 25 January 2010 (UK time), Linmark Electronics moved from Administration to creditors' voluntary liquidation (“**Liquidation**”) and Messrs. Jason BAKER and Geoffrey ROWLEY 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 realizations finalized 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 recognized 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. In view of the significant adverse impact of the economic crisis on the performance of Linmark Electronics and the particularly difficult environment of the retailing of electronic products in the UK, following the Appointment, the Group has refocused its full attention and energy on its core businesses in apparel and related sectors.

As the value of the total assets and revenue of Linmark Electronics represented more than 5% of the total assets and total revenue of the Company as shown in the audited consolidated financial statements of the Company for the year ended 30 April 2008, being the latest published audited consolidated financial statements of the Company prior to the Appointment, Linmark Electronics was deemed to be a “major subsidiary” of the Company for the purpose of Rule 13.25(2) of the Listing Rules.

The Company will issue further announcement as and when it is appropriate on any significant development of Linmark Electronics.

CHANGE IN DIRECTORS' INFORMATION

Two executive directors of the Company, namely Mr. WANG Lu Yen and Mr. KHOO Kim Cheng, were directors of Linmark Electronics and they resigned as directors of Linmark Electronics on 26 January 2010. The Liquidation constitutes an event described in Rule 13.51(2)(1) of the Listing Rules. In compliance with Rule 13.51B(2) of the Listing Rules, this announcement is made by the Company reporting the change in information required to be disclosed by Mr. WANG Lu Yen and Mr. KHOO Kim Cheng pursuant to Rule 13.51(2)(1) of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

For the purpose of this announcement, amounts quoted in US dollars have been converted into HK dollars at the rate of US\$1.00 to HK\$7.80. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rate(s) or at all.

By Order of the Board
Linmark Group Limited
WANG Lu Yen
Chairman

Hong Kong, 27 January 2010

As at the date of this announcement, the Board comprises three executive directors, being Mr. WANG Lu Yen (Chairman), Mr. Michel BOURLON (Chief Executive Officer) and Mr. KHOO Kim Cheng, 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.

** For identification purpose only*