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**DAOHE GLOBAL INVESTMENT
HOLDING LIMITED**

道和環球投資控股有限公司

(Incorporated in the Republic of Seychelles with limited liability)



LINMARK GROUP LIMITED

林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

JOINT ANNOUNCEMENT

**(1) DISPOSAL OF APPROXIMATELY 69.88% INTEREST
IN THE COMPANY BY THE VENDORS TO THE OFFEROR;**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS FOR
ALL THE ISSUED SHARES IN THE COMPANY
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS
OF THE COMPANY
BY CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG)
CO., LIMITED ON BEHALF OF THE OFFEROR;**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;
AND**

(4) RESUMPTION OF TRADING IN THE SHARES

Financial Adviser to the Offeror



**Independent Financial Adviser to the
Independent Board Committee**



THE SALE AND PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 3 December 2014 in relation to the possible acquisition by the Offeror of the Sale Shares and the LOI entered into between Roly and the Offeror on 20 November 2014 and the announcement of the Company dated 11 December 2014 relating to the extension of the stop date for the entering into of the Sale and Purchase Agreement.

The Company has been informed by the Vendors that on 17 December 2014, after trading hours, the Offeror, as purchaser, entered into the Sale and Purchase Agreement (as supplemented by a supplemental agreement dated 11 January 2015) with the Vendors pursuant to which the Offeror conditionally agreed to acquire and the Vendors conditionally agreed to sell an aggregate of 477,655,619 Shares, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$562,463,485 (equivalent to HK\$1.1776 per Sale Share (rounded to 4 decimal places)).

Completion is conditional upon the fulfillment (or waiver, as may be applicable) of a number of closing conditions as set out in the sub-section headed "Closing Conditions of the Sale and Purchase Agreement" under the section headed "(A) The Sale and Purchase Agreement" of this joint announcement. Completion is to take place on the third Business Day after the last of the closing conditions of the Sale and Purchase Agreement is fulfilled (or otherwise waived by the parties in accordance with the Sale and Purchase Agreement) or such other date as the parties to the Sale and Purchase Agreement may agree.

As at the date of this joint announcement, the Vendors hold an aggregate of 477,655,619 Shares, representing approximately 69.88% of the existing total issued share capital of the Company. Immediately after Completion, the Vendors will not hold any Shares.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not own any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, other than the interest in the Sale Shares under the Sale and Purchase Agreement. Immediately after Completion, the Offeror and parties acting in concert with it will be interested in a total of 477,655,619 Shares, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following Completion, the Offeror and parties acting in concert with it are required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) and for the cancellation of all outstanding Options (excluding, for the avoidance of doubt, Mr. Wang's Options which will be cancelled at Completion) in the period prior to the close of the Share Offer.

Subject to Completion, China Galaxy, the financial adviser to the Offeror, will, on behalf of the Offeror, make the Share Offer and the Option Offer in compliance with the Takeovers Code on terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer	
for each Share.	HK\$1.1776
The Option Offer	
for cancellation of each outstanding Option.	HK\$0.4776

The Share Offer Price of HK\$1.1776 for each Share under the Share Offer is the same as the price per Sale Share of HK\$1.1776 (rounded to 4 decimal places) at which the Sale Shares are agreed to be acquired by the Offeror pursuant to the Sale and Purchase Agreement.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options will normally represent the difference between the exercise price of the outstanding Options and the Share Offer Price. Under the Option Offer, since the exercise price to subscribe for each Share under the outstanding Options is HK\$0.7 and the Share Offer Price is HK\$1.1776 per Share, the offer price for each outstanding Option is HK\$0.4776. The principal terms of the Offers are set out under the section headed “(B) Possible Unconditional Mandatory Cash Offers” in this joint announcement.

Under the Sale and Purchase Agreement, Mr. Wang has undertaken to the Offeror not to exercise any of the Options held by him to subscribe for up to 500,000 Shares and to further surrender (at no cost) to the Company for cancellation all such Options held by him and to waive all rights in relation thereto at Completion.

Assuming that none of the 2,358,500 outstanding Options (excluding Mr. Wang’s Options) is exercised prior to the close of the Offers and there is no change in the issued share capital of the Company up to the close of the Offers, there would be 683,569,279 Shares in issue upon the close of the Offers. On the basis of the Share Offer Price of HK\$1.1776 per Share, the total issued share capital of the Company upon the close of the Offers would be valued at approximately HK\$804,971,183.

Assuming that all of the 2,358,500 outstanding Options (excluding Mr. Wang’s Options) are fully exercised prior to the close of the Offers and there is no other change in the issued share capital of the Company up to the close of the Offers, there would be 685,927,779 Shares in issue upon the close of the Offers. On the basis of the Share Offer Price of HK\$1.1776 per Share, the total issued share capital of the Company upon the close of the Offers would be valued at approximately HK\$807,748,553.

Assuming that none of the 2,358,500 outstanding Options (excluding Mr. Wang’s Options) subject to the Option Offer is exercised prior to the close of the Offers and there is no change in the issued share capital of the Company up to the close of the Offers, a total of 205,913,660 Shares will be subject to the Share Offer and a total of 2,358,500 Options will be subject to the Option Offer. On the basis of full acceptance of the Offers, the cash consideration payable by the Offeror under the Share Offer and the Option Offer would be approximately HK\$242,483,926 and approximately HK\$1,126,420 respectively, amounting to a total of approximately HK\$243,610,346.

Assuming that all of the 2,358,500 outstanding Options (excluding Mr. Wang’s Options) subject to the Option Offer are exercised in full prior to the close of the Offers, an aggregate of 2,358,500 new Shares would be issued by the Company. On such basis, further assuming that there is no other change in the issued share capital of the Company up to the close of the Offers, a total of 208,272,160 Shares will be subject to the Share Offer (and no Option will be subject to the Option Offer), and on the basis of full acceptance of the Share Offer, the cash consideration payable by the Offeror under the Share Offer would amount to approximately HK\$245,261,296.

The Offeror intends to maintain the listing status of the Company on the Stock Exchange and will undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that a sufficient public float as required under the Listing Rules exists in the Shares.

China Galaxy, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy payment of the consideration in respect of the full acceptance of the Offers.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been formed to make recommendations to the Independent Shareholders and the Option Holders in relation to the Offers pursuant to Rule 2.1 of the Takeovers Code.

The Company has appointed Centurion Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offers and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF OFFER DOCUMENT

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the general offer is subject to prior fulfillment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a composite Offer Document. Pursuant to Rule 8.2 of the Takeovers Code, the composite Offer Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders of the Offers, the letter of advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and Option Holders of the Offers should normally be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement. Given that the Offers are subject to Completion and fulfillment of the closing conditions of the Sale and Purchase Agreement, the Offers may not take place within 21 days from the date of this joint announcement. In such circumstances, an application will be made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the date of the posting of the composite Offer Document to a date falling within 7 days from the date of Completion.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 18 December 2014 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 12 January 2015.

Warning: The Offers are a possibility only.

The Offers will only be made if the Sale and Purchase Agreement is completed. Completion is conditional upon the fulfillment of a number of closing conditions as set out in the sub-section headed "Closing Conditions of the Sale and Purchase Agreement" under the section headed "(A) The Sale and Purchase Agreement" of this joint announcement. Accordingly, the Offers may or may not be made. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

Reference is made to the announcement of the Company dated 3 December 2014 in relation to the possible acquisition by the Offeror of the Sale Shares and the LOI entered into between Roly and the Offeror on 20 November 2014 and the announcement of the Company dated 11 December 2014 relating to the extension of the stop date for the entering into of the Sale and Purchase Agreement.

(A) THE SALE AND PURCHASE AGREEMENT

The Company has been informed by the Vendors that on 17 December 2014, after trading hours, the Offeror, as purchaser, entered into the Sale and Purchase Agreement (as supplemented by a supplemental agreement dated 11 January 2015) with the Vendors pursuant to which the Offeror conditionally agreed to acquire and the Vendors conditionally agreed to sell an aggregate of 477,655,619 Shares, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement.

Set out below are the principal terms of the Sale and Purchase Agreement:

Date

17 December 2014

Parties involved

- (1) Mr. Wang;
- (2) Roly;
- (3) RGS (together with Mr. Wang and Roly, as Vendors); and
- (4) the Offeror (as purchaser).

Subject matter

Pursuant to the Sale and Purchase Agreement, the Offeror conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Shares, being 477,655,619 Shares in aggregate, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement, and all rights attaching to such Sale Shares as at the Completion Date (but, for the avoidance of doubt, any dividend resolved to be declared by the Company in connection with the Sale Shares before the entering into of the Sale and Purchase Agreement shall belong to the Vendors, whether or not the record date for such dividend falls on or after the Completion Date), free from all Encumbrances. As disclosed in the Company's announcement dated 8 December 2014 in relation to its interim results for the six months ended 31 October 2014, the Directors declared an interim dividend of 0.96 HK cent per ordinary Share in respect of the six months ended 31 October 2014, totaling approximately HK\$6,562,265.

Immediately after Completion, the Offeror (by itself and/or through its nominee(s)) will hold 477,655,619 Shares.

Consideration for the Sale Shares

The Consideration for the Sale Shares is HK\$562,463,485, equivalent to HK\$1.1776 per Sale Share (rounded to 4 decimal places), which was determined after arm's length negotiations between the Offeror and the Vendors and having taken into account the consolidated net asset value of the Group and the premium for the controlling interest in the Company. The Consideration is to be split among the Vendors as to HK\$507,783,211 for RGS, HK\$53,950,193 for Roly and HK\$730,081 for Mr. Wang in accordance with the proportions of the shareholding of the Vendors in the Company respectively.

The Consideration shall be payable by the Offeror in the following manner:

- (a) the Deposit shall be paid upon the signing of the Sale and Purchase Agreement. For this purpose, the earnest money of HK\$20,000,000 previously paid by the Offeror and held in escrow under the LOI shall upon the signing of the Sale and Purchase Agreement be treated as the Deposit payable under the Sale and Purchase Agreement, where the Offeror and Roly shall, upon signing of the Sale and Purchase Agreement, jointly provide written instructions to the Escrow Agent to release and provide a cashier's order of the amount for the Deposit issued by a licensed bank in Hong Kong to Roly (on behalf of all the Vendors) on the date of the Sale and Purchase Agreement;
- (b) upon signing the Sale and Purchase Agreement, the Offeror shall (i) pay to the Escrow Agent the Escrow Sum by delivering to the Escrow Agent a cashier's order issued by a licensed bank in Hong Kong payable to the Escrow Agent or sending the Escrow Sum by wire transfer to a designated account of the Escrow Agent; and (ii) provide evidence reasonably satisfactory to the Vendors that such cashier's order has been delivered to and received by the Escrow Agent or that the Escrow Sum has been so transferred. The Escrow Sum shall be applied in accordance with the terms broadly set out as follows:
 - (i) subject to Completion taking place, on the Completion Date, the Offeror and the Vendors shall jointly instruct the Escrow Agent to release at Completion the Escrow Sum (less the Retention Amount to be held by the Escrow Agent and to be released or otherwise dealt with after settlement of the Hong Kong Tax Assessment) to the Vendors; and
 - (ii) if Completion does not take place, the Escrow Agent shall, upon receiving the instruction in writing thereof from the Offeror, release the Escrow Sum to the Offeror.

Closing Conditions of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement is subject to all of the following closing conditions being and remaining satisfied at Completion (or waived as described below):

- (a) the passing of the necessary resolutions by the board of directors of each of the Vendors (which is a corporate entity) approving the Sale and Purchase Agreement and all other transactions contemplated under the Sale and Purchase Agreement and the granting of such regulatory approvals (if any) as may be necessary, including without limitation in accordance with the Listing Rules, the Takeovers Code and other Applicable Laws;

- (b) all necessary authorisations, consents, licences, agreements, approvals or permissions of any kind of, from or by third parties and/or government or regulatory authorities (if any) required to implement all the transactions contemplated under the Sale and Purchase Agreement having been obtained by the Vendors and/or the Group on terms reasonably satisfactory to the Offeror and remaining in full force and effect (with evidence provided to the Offeror to the Offeror's reasonable satisfaction);
- (c) the listing status of the Company on the Stock Exchange not having been revoked or withdrawn at any time prior to Completion, the Shares continuing to be traded on the Stock Exchange at any time during the trading hours prior to Completion (save for (i) any temporary suspension or trading halt for no longer than ten (10) consecutive trading days or such other period as the Offeror may agree in writing; or (ii) the temporary suspension or trading halt in connection with transactions contemplated under the Sale and Purchase Agreement);
- (d) there being no indication from the Stock Exchange or the Executive that the listing status of the Company will be suspended, cancelled, revoked or withdrawn at any time after Completion as a result of the transactions contemplated under the Sale and Purchase Agreement;
- (e) the representations, warranties and/or undertakings given by the Vendors under the Sale and Purchase Agreement remaining true and accurate and not misleading throughout the period from the date of the Sale and Purchase Agreement to the Completion Date, and there having been no breach by any party of the Sale and Purchase Agreement;
- (f) the Stock Exchange and the Executive having advised that they have no further comment on this joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement and the publication of this joint announcement on the website of the Stock Exchange;
- (g) the current service agreement between Mr. Wang and the Company having been agreed to be terminated with effect from the Completion Date or the earliest possible date thereafter, and the Adviser Appointment Letter in connection with the appointment of Mr. Wang as the honorary chairman of the Company for one year from the Completion Date (who in such capacity shall advise the Board on the management and operations of the Company) having been agreed to, and all necessary approvals having been obtained for such arrangements (if any); and
- (h) (if and to the extent required) the consent of the Executive in relation to the Adviser Appointment Letter as special deals under Rule 25 of the Takeovers Code having been obtained, and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked.

Except for such closing conditions which concern the obtaining of the approval, waiver or consent of the Executive or the Stock Exchange, the Offeror may waive any of the closing conditions to the extent permitted at its absolute discretion.

Completion is conditional upon all the closing conditions being fulfilled (or, where applicable, waived) at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date. Completion shall take place on the third Business Day after the day on which the last of the closing conditions is fulfilled (or, otherwise waived) or such other date as the parties to the Sale and Purchase Agreement may agree.

If, following satisfaction (or where applicable, waiver) of all the closing conditions, the Offeror fails to complete the Sale and Purchase Agreement otherwise than as a result of the default of the Vendors or any of them, the Deposit paid to the Vendors shall be forfeited as liquidated damages and the Offeror shall have no further liability to the Vendors under the Sale and Purchase Agreement or otherwise.

If any of the closing conditions is not satisfied or waived (if capable of waiver) at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, or Completion does not take place on the Completion Date otherwise than as a result of a default or failure of the Offeror, the Deposit shall be repaid in full to the Offeror within three (3) Business Days from the Long Stop Date or the Completion Date (as the case may be).

Warranties, indemnities and undertakings

The Vendors have given warranties to the Offeror which are customary in the circumstances, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to the Group.

The Vendors agreed to execute a deed of indemnity effective upon Completion in favour of the Offeror that they would, subject to the qualifications stipulated therein, indemnify the Offeror against liability and costs in relation to taxation or levy created or imposed relating to the Hong Kong Tax Assessment in accordance with the terms and conditions of the deed of indemnity.

The Vendors have provided undertakings in relation to, among other things, the conduct of business of the Group before Completion and non-competition. In addition, Mr. Wang undertook that from the date of the Sale and Purchase Agreement and up to Completion, he would not exercise any of the Options held by him to subscribe for up to 500,000 Shares, which are outstanding as of the date of this joint announcement, and he would surrender (at no cost) to the Company for cancellation all such Options at Completion and waive all rights in relation thereto.

(B) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Terms of the Offers

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not own any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company other than the interest in the Sale Shares under the Sale and Purchase Agreement. Immediately after Completion, the Offeror and parties acting in concert with it will be interested in a total of 477,655,619 Shares, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following Completion, the Offeror and parties acting in concert with it are required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) and for the cancellation of all outstanding Options (excluding, for the avoidance of doubt, Mr. Wang's Options which will be cancelled at Completion) in the period prior to the close of the Share Offer.

Subject to Completion, the Offers are unconditional mandatory cash offers and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

As at the date of this joint announcement, there are 683,569,279 Shares in issue.

As at the date of this joint announcement, the Company has outstanding Options to subscribe for up to 2,858,500 Shares (including Mr. Wang's Options), all of which are exercisable at the exercise price of HK\$0.7 per Share during the exercise period from 25 August 2010 to 24 August 2015. All outstanding Options were granted pursuant to a share option scheme adopted by the Company on 22 April 2002.

Save for the outstanding Options, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than as disclosed above as at the date of this joint announcement.

Assuming that none of the outstanding Options is exercised prior to the close of the Offers and there is no change in the issued share capital of the Company up to the close of the Offers, a total of 205,913,660 Shares will be subject to the Share Offer and outstanding Options to subscribe for up to a total of 2,358,500 Shares (excluding Mr. Wang's Options) will be subject to the Option Offer. Assuming that all the outstanding Options (excluding Mr. Wang's Options) are fully exercised prior to the close of the Offers and there is no other change in the issued share capital of the Company up to the close of the Offers, a total of 208,272,160 Shares will be subject to the Share Offer.

Subject to Completion, China Galaxy, the financial adviser to the Offeror, will, on behalf of the Offeror, make the Share Offer and the Option Offer in compliance with the Takeovers Code on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

**The Share Offer
for each Share. HK\$1.1776**

**The Option Offer
for cancellation of each outstanding Option. HK\$0.4776**

The Share Offer Price of HK\$1.1776 for each Share under the Share Offer is the same as the price per Sale Share of HK\$1.1776 (rounded to 4 decimal places) at which the Sale Shares are agreed to be acquired by the Offeror pursuant to the Sale and Purchase Agreement.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options will normally represent the difference between the exercise price of the outstanding Options and the Share Offer Price. Under the Option Offer, since the exercise price to subscribe for each Share under the outstanding Options is HK\$0.7 and the Share Offer Price is HK\$1.1776 per Share, the offer price for each outstanding Option is HK\$0.4776.

Comparison of value

The Share Offer Price of HK\$1.1776 per Share represents:

- (i) a premium of approximately 14.33% to the closing price of HK\$1.03 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 26.62% to the average closing price of HK\$0.93 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 39.36% to the average closing price of HK\$0.845 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 84.0% to the average closing price of approximately HK\$0.64 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 198.88% over the unaudited consolidated net asset value of the Company of approximately HK\$0.394 per Share as at 31 October 2014 as set out in the Interim Report.

Highest and lowest Share prices

The highest and lowest closing prices of the Share as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day from 18 June 2014 to 17 December 2014 were HK\$1.03 per Share on 17 December 2014 and HK\$0.40 per Share on 24 July 2014 and 11 August 2014 (and various other dates between such period), respectively.

Total value of the Offers

Under the Sale and Purchase Agreement, Mr. Wang has undertaken to the Offeror (i) from the date of the Sale and Purchase Agreement and up to Completion, not to exercise any of Mr. Wang's Options to subscribe for up to 500,000 Shares, which are outstanding as of the date of this joint announcement; and (ii) at Completion, to surrender (at no cost) to the Company for cancellation all such Options held by him and to waive all rights in relation thereto. In this regard, for the purposes of this joint announcement and as to whether the Offeror has sufficient financial resources to complete the purchase of all the Sale Shares at Completion and to satisfy full acceptance of the Offers, Mr. Wang's Options to subscribe for up to 500,000 Shares shall be disregarded from the calculations.

Assuming that none of the 2,358,500 outstanding Options (excluding Mr. Wang's Options) is exercised prior to the close of the Offers and there is no change in the issued share capital of the Company up to the close of the Offers, there would be 683,569,279 Shares in issue upon the close of the Offers. On the basis of the Share Offer Price of HK\$1.1776 per Share, the total issued share capital of the Company upon the close of the Offers would be valued at approximately HK\$804,971,183.

Assuming that all of the 2,358,500 outstanding Options (excluding Mr. Wang's Options) are fully exercised prior to the close of the Offers and there is no other change in the issued share capital of the Company up to the close of the Offers, there would be 685,927,779 Shares in issue upon the close of the Offers. On the basis of the Share Offer Price of HK\$1.1776 per Share, the total issued share capital of the Company upon the close of the Offers would be valued at approximately HK\$807,748,553.

Based on the respective offer prices for the Shares and the outstanding Options as referred to in the paragraph headed "Terms of the Offers" above, assuming that none of the 2,358,500 outstanding Options (excluding Mr. Wang's Options) subject to the Option Offer is exercised prior to the close of the Offers and there is no change in the issued share capital of the Company up to the close of the Offers, a total of 205,913,660 Shares will be subject to the Share Offer and a total of 2,358,500 Options will be subject to the Option Offer. On the basis of full acceptance of the Offers, the cash consideration payable by the Offeror under the Share Offer and the Option Offer would be approximately HK\$242,483,926 and approximately HK\$1,126,420 respectively, amounting to a total of approximately HK\$243,610,346.

Assuming that all of the 2,358,500 outstanding Options (excluding Mr. Wang's Options) subject to the Option Offer are exercised in full prior to the close of the Offers, an aggregate of 2,358,500 new Shares would be issued by the Company. On such basis, further assuming that there is no other change in the issued share capital of the Company up to the close of the Offers, a total of 208,272,160 Shares will be subject to the Share Offer (and no Option will be subject to the Option Offer), and on the basis of full acceptance of the Share Offer, the cash consideration payable by the Offeror under the Share Offer would amount to approximately HK\$245,261,296.

Financial resources

The Offeror would finance the consideration payable for the Offers from its internal resources.

China Galaxy, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy payment of the consideration in respect of the full acceptance of the Offers.

Effect of accepting the Offers

By validly accepting the Share Offer, Independent Shareholders would sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of the posting of the Offer Document.

By validly accepting the Option Offer, Option Holders would agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, that is, the date of the posting of the Offer Document.

Acceptance of the Offers by any Independent Shareholder or Option Holder (as the case may be) will be deemed to constitute a warranty by such person that all Shares or Options sold by such person under the Offers are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offers are made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of acceptance of the Offers would be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Shares or the Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render such acceptance of any of the Share Offer and the Option Offer complete and valid.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, would be deducted from the amount payable to Independent Shareholders who accept the Share Offer. The Offeror would bear its own portion of the buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, and would be liable to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Overseas Shareholders and Option Holders

As the Offers to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, overseas Option Holders, and Shareholders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares and Option Holders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers. It is the responsibility of the overseas Option Holders and Shareholders who wish to accept the Option Offer and the Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any overseas Option Holders and Shareholders will be deemed to constitute a representation and warranty from such overseas Option Holders and Shareholders to the Offeror that the local laws and requirements have been complied with. The overseas Option Holders and Shareholders should consult their professional advisers if in doubt.

Taxation advice

Independent Shareholders and Option Holders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Other arrangements

For the six months immediately prior to 3 December 2014, i.e. the date of the announcement of the Company in relation to the possible acquisition by the Offeror of the Sale Shares and the LOI, and up to the date of this joint announcement, save for the entering into of the LOI and the Sale and Purchase Agreement, the Offeror and parties acting in concert with it have not dealt in nor do they have any Shares, options, derivatives, warrants or other securities convertible into Shares.

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (ii) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with it has received any irrevocable commitment to accept the Offers;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners or any person acting in concert with it;
- (iv) save for the LOI and the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (v) save for the LOI and the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vi) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Effect of Completion on the shareholding structure of the Company

Set out below is the shareholding structure of the Company immediately before and after Completion but before any acceptance of the Offers:

	Immediately before Completion (assuming none of the Options is exercised)		Immediately after Completion but before the Offers (assuming none of the Options is exercised)		Immediately after Completion but before the Offers (assuming all Options, other than Mr. Wang's Options, are exercised)	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
The Vendors						
<i>RGS</i>	431,220,000	63.09	–	–	–	–
<i>Roly</i>	45,815,619	6.70	–	–	–	–
<i>Mr. Wang (Note 1)</i>	620,000	0.09	–	–	–	–
<i>Subtotal:</i>	<u>477,655,619</u>	<u>69.88</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
The Offeror	–	–	477,655,619	69.88	477,655,619	69.64
Mr. WONG Hing Lin, Dennis (Note 1)	2,500,000	0.37	2,500,000	0.37	2,500,000	0.36
Mr. WONG Wai Ming (Note 2)	100,000	0.01	100,000	0.01	600,000	0.09
Mr. WANG Arthur Minshiang (Note 3)	260,000	0.04	260,000	0.04	572,500	0.08
Mr. Jakob Jacobus Koert TULLENERS (Note 3)	–	–	–	–	312,500	0.05
Directors of the subsidiaries of the Group	13,571,374	1.99	13,571,374	1.99	13,671,374	1.99
Other Option Holders	–	–	–	–	1,133,500	0.17
Public Shareholders	<u>189,482,286</u>	<u>27.71</u>	<u>189,482,286</u>	<u>27.71</u>	<u>189,482,286</u>	<u>27.62</u>
Total:	<u>683,569,279</u>	<u>100.00</u>	<u>683,569,279</u>	<u>100.00</u>	<u>685,927,779</u>	<u>100.00</u>

Notes:

1. Mr. Wang and Mr. WONG Hing Lin, Dennis are executive Directors.
2. Mr. WONG Wai Ming is a non-executive Director.
3. Mr. WANG Arthur Minshiang and Mr. Jakob Jacobus Koert TULLENERS are independent non-executive Directors.

As at the date of this joint announcement, the Vendors hold an aggregate of 477,655,619 Shares, representing approximately 69.88% of the existing total issued share capital of the Company. Immediately after Completion, the Vendors will not hold any Shares.

Information on the Offeror

The Offeror is an international business company incorporated in the Republic of Seychelles and legally and beneficially owned as to 80% by Mr. ZHOU Xijian (周希儉先生) and 20% by Mr. ZHANG Qi (張琦先生). The Offeror is an investment holding company that has not engaged in any business since its formation, other than to enter into the Sale and Purchase Agreement.

Mr. ZHOU Xijian (周希儉先生), aged 39, has over 20 years of business experience. He is the President of 廣東道和投資產業集團有限公司 (Guangdong Daohe Investment Group LLC*). 廣東道和投資產業集團有限公司 (Guangdong Daohe Investment Group LLC*) is a multi-industry company which is engaged in a wide range of businesses including but not limited to liquor, drinking water, film and television, catering and Internet technology. Mr. Zhou obtained a master's degree in business administration from Business School of Nanjing Normal University in 2011.

Mr. ZHANG Qi (張琦先生), aged 40, has over 16 years of business experience, and is currently the Global Executive President of 南京中脈科技發展有限公司 (Nanjing Joymain Sci & Tech Development Co., Ltd*). 南京中脈科技發展有限公司 (Nanjing Joymain Sci & Tech Development Co., Ltd.*) is principally engaged in the research and development, production, sale and service of healthcare products. Mr. Zhang obtained a master's degree in business administration from Business School of Nanjing Normal University in 2011.

As at the date of this joint announcement, the directors of the Offeror are Mr. ZHOU Xijian (周希儉先生) and Mr. ZHANG Qi (張琦先生). The Offeror and its ultimate beneficial owners are third parties independent of, and not acting in concert with, the Vendors. Immediately preceding to Completion, none of the Offeror, its intermediate holding companies or its ultimate beneficial owners owns any Shares.

Intention of the Offeror regarding the Group

The Offeror intends to continue the existing principal activities of the Group. Following completion of the Offers, the Offeror will conduct a review of the business operations and financial position of the Group for the purpose of formulating suitable business plans and strategies for the future business development of the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider further development of the Group's existing business, or acquisition of assets and/or business by the Group in order to enhance its profitability. As at the date of this joint announcement, the Offeror has no plan for any acquisition or disposal of the existing assets or business of the Group.

Proposed change of board composition of the Company and the Group

The Board currently comprises six Directors in total, with two executive Directors, one non-executive Director and three independent non-executive Directors. Pursuant to the terms of the Sale and Purchase Agreement, subject to Completion, the Vendors shall cause Mr. Wang to give notice to resign as a director of each member of the Group with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC and shall appoint him as the honorary chairman of the Company immediately after his resignation as a director of the Company. It is contemplated that under the Advisory Appointment Letter to be entered into between the Company and Mr. Wang, Mr. Wang will continue (for an initial term until one year from the Completion Date) to assume the role of honorary chairman of the Company in a non-executive capacity (but not a member of the Board), and in that role to facilitate the smooth transition of the Group, and to advise the maintenance and growth of existing client and supplier

relationships and the development of new business relationships for the Group. Mr. Wang will not receive any monetary remuneration or staff quarter benefit under such appointment, but the Group will provide Mr. Wang with reasonable administrative support in connection with the performance of such role. He will also be entitled to the reimbursement of all reasonable travelling and entertainment expenses incurred in the performance of his duties as the honorary chairman of the Company subject to the provision of all appropriate receipts and vouchers.

In addition, pursuant to the terms of the Sale and Purchase Agreement, the Vendors shall cause such persons as the Offeror may nominate to be validly appointed as directors of the Group with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC. A further announcement will be made on any further proposed change of the composition of the board of directors of the Group.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

Renewal of master lease agreement

Under the Sale and Purchase Agreement, the Vendors have undertaken that the master lease agreement dated 28 November 2011 between Tamarind International Limited (a wholly-owned subsidiary of the Company) and Wellbuild International Limited (a wholly-owned subsidiary of Roly) expiring on 31 March 2015, in relation to the lease of the property at the whole of 5/F and 6/F (excluding room 601), Nos 645 – 659 Huai Hai Zhong Road, Shanghai, the PRC, shall be renewed for an additional six months upon its expiration and the material terms and conditions of the renewed lease agreement will be the same as those under the current master lease agreement.

Maintaining the listing status of the Company

The Offeror intends to maintain the listing status of the Company and it will irrevocably undertake that it will be responsible for maintaining the 25% public float requirement upon the closing of the Offers under Rule 8.08 of the Listing Rules.

If, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or**
- there are insufficient Shares in public hands to maintain an orderly market,**

the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

As the Company and the Offeror are unable to ascertain at this stage the level of acceptances by the holders of Shares under the Offers, they have not decided the exact steps/actions that will be taken by them after the close of the Offers to restore the public float of the Shares, if required. Notwithstanding this, the Company and the Offeror consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of new Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

INFORMATION OF THE GROUP

The Company was incorporated in Bermuda as an exempted company with limited liability and its Shares have been listed on the Main Board of the Stock Exchange since 2002. The Group's business comprises two operating segments: (i) sales of merchandise including garments, fashion accessories, hardgoods, consumer electronic products and labels; and (ii) provision of services including procurement and value-added services relating to the procurement agency business.

Set out below is the audited revenue, profit before tax and profit attributable to the owners of the Company for each of the two financial years ended 30 April 2013 and 30 April 2014, and the unaudited revenue, profit before tax and profit attributable to the owners of the Company for the six months ended 31 October 2014 as extracted from the Interim Report:

	For the year ended 30 April		For the six months ended
	2013	2014	31 October
	(Audited)	(Audited)	(Unaudited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(HK\$ equivalent)</i>	<i>(HK\$ equivalent)</i>	<i>(HK\$ equivalent)</i>
Revenue	110,047 (852,864)	103,397 (801,327)	53,824 (417,136)
Profit before tax	4,929 (38,200)	4,855 (37,626)	3,377 (26,172)
Profit attributable to owners of the Company	5,332 (41,323)	4,456 (34,534)	3,046 (23,607)

Further financial information of the Group will be set out in the composite Offer Document to be despatched to the Independent Shareholders and Option Holders.

GENERAL

Independent Board Committee

An Independent Board Committee, comprising the non-executive Director namely Mr. WONG Wai Ming and all the independent non-executive Directors namely Mr. WANG Arthur Minshiang, Mr. TSE Hau Yin, Aloysius and Mr. Jakob Jacobus Koert TULLENERS who have no direct or indirect interest in the Offers (save for their interests in the Shares and Options held by them as disclosed above), has been formed in order to advise the Independent Shareholders and the Option Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

Appointment of Independent Financial Adviser

The Company has appointed Centurion Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offers. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Offeror and the Company (including their respective shareholders having interests of 5% or more of the relevant securities) are reminded to disclose their dealings in the relevant securities in the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DESPATCH OF OFFER DOCUMENT

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive’s consent is required if the making of the general offer is subject to prior fulfillment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a composite Offer Document. Pursuant to Rule 8.2 of the Takeovers Code, the composite Offer Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders of the Offers, the letter of advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and Option Holders of the Offers should normally be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement. Given that the Offers are subject to Completion and fulfillment of the closing conditions of the Sale and Purchase Agreement, the Offers may not take place within 21 days from the date of this joint announcement. In such circumstances, an application will be made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the date of the posting of the composite Offer Document to a date falling within 7 days from the date of Completion.

Resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 18 December 2014 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 12 January 2015.

Warning: The Offers are a possibility only.

The Offers will only be made if the Sale and Purchase Agreement is completed. Completion is conditional upon the fulfillment of a number of closing conditions as set out in the sub-section headed “Closing Conditions of the Sale and Purchase Agreement” under the section headed “(A) The Sale and Purchase Agreement” of this joint announcement. Accordingly, the Offers may or may not be made. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“acting in concert”	has the meaning defined in the Takeovers Code;
“Adviser Appointment Letter”	means the letter of appointment to be entered into between the Company and Mr. Wang in connection with the appointment of Mr. Wang as the honorary chairman of the Company for one year from the Completion Date;
“Applicable Laws”	means any constitutions, enactments, ordinances, regulations, orders, administrative or judicial notices, judgments, common law, treaties and any other legislations or laws of any relevant jurisdictions;
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code;
“Board”	means the board of Directors;
“Business Day(s)”	means a day on which banks in Hong Kong are open for business other than a Saturday or a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“BVI”	means the British Virgin Islands;
“China Galaxy”	means China Galaxy International Securities (Hong Kong) Co., Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror;
“Company”	means Linmark Group Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 915);
“Completion”	means the completion of the Sale and Purchase Agreement;
“Completion Date”	means the third Business Day after the fulfillment (or if applicable, waiver) of the last of the closing conditions of the Sale and Purchase Agreement or such other date as the Vendors and the Offeror may agree;

“Consideration”	means HK\$562,463,485, being the aggregate consideration for the Sale Shares under the Sale and Purchase Agreement;
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Deposit”	means HK\$20,000,000 paid to the Vendors upon execution of the Sale and Purchase Agreement;
“Director(s)”	means the director(s) of the Company;
“Encumbrances”	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
“Escrow Agent”	means Boughton Peterson Yang Anderson, Solicitors (in association with Zhong Lun Law Firm), the legal advisers to the Offeror, or such other escrow agent as may be agreed by the Vendors and the Offeror to be appointed as the escrow agent;
“Escrow Sum”	means the amount of HK\$542,463,485 (being the Consideration less the Deposit paid to the Vendors upon execution of the Sale and Purchase Agreement in accordance with its terms) to be placed under escrow in accordance with the terms of the Sale and Purchase Agreement;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Group”	means collectively, the Company and its subsidiaries from time to time;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Tax Assessment”	means the protective assessments the Group received from the Inland Revenue Department of Hong Kong as disclosed in the 2014 annual report of the Company;
“Independent Board Committee”	means an independent committee of the Board comprising the non-executive Director (being Mr. WONG Wai Ming) and all the independent non-executive Directors (being Mr. WANG Arthur Minshiang, Mr. TSE Hau Yin, Aloysius and Mr. Jakob Jacobus Koert TULLENERS), who have no direct or indirect interest in the Offers save for their interests in the Shares and Options held by them as disclosed in this joint announcement, established for the purpose of advising the Independent Shareholders and Option Holders in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers;

“Independent Financial Adviser”	means Centurion Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee;
“Independent Shareholders”	means the Shareholders other than the Offeror, parties acting in concert with it and those who are involved in or interested in the Offers;
“Interim Report”	means the interim report of the Company for the six months ended 31 October 2014;
“Last Trading Day”	means 17 December 2014, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this joint announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 30 January 2015;
“LOI”	means the letter of intent in relation to the possible acquisition by the Offeror of the Sale Shares entered into between Roly and the Offeror on 20 November 2014 and referred to in the announcement of the Company dated 3 December 2014;
“Main Board”	means the main board maintained and operated by the Stock Exchange;
“Mr. Wang”	means Mr. WANG Lu Yen, the chairman and chief executive officer of the Company and an executive Director;
“Mr. Wang Sale Shares”	means 620,000 Shares (representing approximately 0.09% of the issued share capital of the Company as at the date of this joint announcement) beneficially owned by Mr. Wang before Completion;
“Mr. Wang’s Options”	means the Options held by Mr. Wang to subscribe for up to 500,000 Shares and granted by the Company, which have been agreed to be surrendered and cancelled at Completion (if taking place);
“Offers”	means the Share Offer and Option Offer;
“Offer Document”	means the offer and response document (in either composite or separate form) together with the form of acceptance and transfer to be despatched to the Shareholders and Option Holders pursuant to the Offers;
“Offeror”	means Daohe Global Investment Holding Limited, an international business company incorporated in the Republic of Seychelles;

“Option(s)”	means share option(s) granted by the Company pursuant to the share option scheme of the Company adopted on 22 April 2002, which entitle(s) holder(s) thereof to subscribe for the Shares in accordance with the terms and conditions thereof;
“Option Holder(s)”	means holder(s) of the Option(s);
“Option Offer”	means an unconditional mandatory cash offer to be made by China Galaxy for and on behalf of the Offeror for the cancellation of all outstanding Options held by the Option Holders in accordance with the Takeovers Code as a result of (and subject to and upon) the Completion;
“PRC”	means the People’s Republic of China;
“Retention Amount”	means the amount of HK\$15,500,000 out of the Escrow Sum held by the Escrow Agent, to be dealt with as follows: (a) if after the Hong Kong Tax Assessment has been settled, there is no claim by the Offeror against the Vendors under the deed of indemnity, within ten (10) Business Days from the date of such settlement, the Escrow Agent shall, upon receiving joint instructions from the Vendors and the Offeror to do so, pay Roly (on behalf of the Vendors) the Retention Amount in its entirety; or (b) if after the Hong Kong Tax Assessment has been settled there is a claim by the Offeror against the Vendors under the deed of indemnity within ten (10) Business Days from the date of such settlement, the Escrow Agent shall, upon receiving joint instructions from the Vendors and the Offeror to do so, pay to Roly (on behalf of the Vendors) such amount equivalent to the Retention Amount less any deduction for such claim and to the Offeror the amount of such deduction (if any);
“RI Holdings”	means RI Holdings Bermuda Limited, a company incorporated in Bermuda with limited liability and a wholly owned subsidiary of Megastar Holdings Limited, which is in turn a company wholly owned by Mr. Wang;
“RGS”	means RGS Holdings Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of Roly;
“RGS Sale Shares”	means 431,220,000 Shares (representing approximately 63.08% of the issued share capital of the Company as at the date of this joint announcement) beneficially owned by RGS before Completion;
“Roly”	means Roly International Holdings Ltd., a company incorporated in Bermuda with limited liability and a wholly owned subsidiary of RI Holdings;
“Roly Sale Shares”	means 45,815,619 Shares (representing approximately 6.70% of the issued share capital of the Company as at the date of this joint announcement) beneficially owned by Roly before Completion;

“Sale and Purchase Agreement”	means the sale and purchase agreement dated 17 December 2014 (as supplemented by a supplemental agreement dated 11 January 2015) entered into by the Vendors as vendors and the Offeror as purchaser of the sale and purchase of the Sale Shares;
“Sale Shares”	means 477,655,619 Shares, being the aggregate of the Mr. Wang Sale Shares, the Roly Sale Shares and the RGS Sale Shares, representing approximately 69.88% of the total issued share capital of the Company as at the date of this joint announcement;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of US\$0.02 each in the share capital of the Company;
“Shareholder(s)”	means holder(s) of the Share(s);
“Share Offer”	means an unconditional mandatory cash offer to be made by China Galaxy on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code as a result of (and subject to and upon) the Completion;
“Share Offer Price”	means the cash amount of HK\$1.1776 per Share payable by the Offeror in respect of the Share Offer;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-backs;
“US\$”	means United States dollars, the lawful currency of the United States of America; and
“Vendors”	means Roly, RGS and Mr. Wang.

By order of the board
Daohe Global Investment Holding Limited
ZHOU Xijian
Chairman

By order of the board
Linmark Group Limited
WANG Lu Yen
Chairman and Chief Executive Officer

Hong Kong, 12 January 2015

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. ZHOU Xijian and Mr. ZHANG Qi.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company, the Vendors and parties acting in concert with them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Company, the Vendors and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In this joint announcement, unless stated otherwise, US\$ has been converted into HK\$ at the rate close to the date of this joint announcement of US\$1 = HK\$7.75 for reference purpose only and no representation has been made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates.

The English text of this joint announcement shall prevail over its Chinese text.

** For identification purposes only*