
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, a 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 enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSED DISTRIBUTION,
PROPOSED SHARE PREMIUM REDUCTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this circular shall have the meanings set out in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 5 to 8 of this circular.

A notice convening the SGM to be held on Thursday, 13 June 2013 at 4:30 p.m. at Showroom 1A, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong is set out on pages 9 and 10 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy to the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM 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 SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

21 May 2013

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DEFINITIONS

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

“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company, as amended from time to time;
“Companies Act”	the Companies Act 1981 of Bermuda, 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;
“Director(s)”	the director(s) of the Company;
“Distribution”	the proposed distribution of 14.64 HK cents (equivalent to approximately 1.88 US cents) per Share to the Shareholders to be paid in cash out of the credit standing in the contributed surplus account of the Company arising from the Share Premium Reduction on the basis set out in this circular;
“Group”	collectively, the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	16 May 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China, excluding for the purpose of this circular, Hong Kong, Taiwan and the Macau Special Administrative Region;
“Record Date”	the record date, being 21 June 2013, for the purpose of ascertaining the entitlement of the Shareholders to the Distribution;

DEFINITIONS

“SGM”	the special general meeting of the Company to be held on Thursday, 13 June 2013 at 4:30 p.m. at Showroom 1A, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong for the purposes of considering and, if thought fit, approving the Distribution and the Share Premium Reduction;
“Share(s)”	ordinary share(s) of US\$0.02 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Share(s);
“Share Premium Reduction”	the proposed reduction of US\$12.8 million (equivalent to approximately HK\$100.0 million) standing to the credit of the share premium account of the Company and the transfer of the credit arising therefrom to the contributed surplus account of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“US\$”	United States dollars, the lawful currency of the United States.

EXPECTED TIMETABLE

The expected timetable for the Distribution and the Share Premium Reduction is set out below:

2013

Despatch of this circular and notice of the SGM	Tuesday, 21 May
Latest time for lodging share transfer forms for registration to qualify for attending and voting at the SGM	4:30 p.m. on Friday, 7 June
Closure of register of members of the Company for determining the eligibility of Shareholders to attend and vote at the SGM	Monday, 10 June to Thursday, 13 June (both days inclusive)
Latest time for lodging forms of proxy for the SGM.....	4:30 p.m. on Tuesday, 11 June
Date and time of the SGM (<i>Note 3</i>).....	4:30 p.m. on Thursday, 13 June
Register of members of the Company re-opens.....	Friday, 14 June
Share Premium Reduction becoming effective.....	Friday, 14 June
Last day of trading in Shares cum-entitlement to the Distribution.....	Friday, 14 June
First day of trading in Shares ex-entitlement to the Distribution.....	Monday, 17 June
Latest time for lodging share transfer forms for registration to qualify for the entitlement to the Distribution.....	4:30 p.m. on Tuesday, 18 June
Closure of register of members of the Company for determining the entitlement to the Distribution.....	Wednesday, 19 June to Friday, 21 June (both days inclusive)
Record Date for determining the entitlement to the Distribution.....	Friday, 21 June
Register of members of the Company re-opens.....	Monday, 24 June
Cheques for the Distribution to be despatched.....	on or about Friday, 28 June

EXPECTED TIMETABLE

Notes:

- (1) All times refer to Hong Kong local time in this circular.
- (2) Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable (including the Record Date) will be published or notified to the Shareholders in compliance with the Listing Rules.
- (3) If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 12:00 noon on the date of the SGM, the SGM will be postponed. The Company will post an announcement on the respective websites of the Company (www.linmark.com) and the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled SGM.

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

21 May 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSED DISTRIBUTION,
PROPOSED SHARE PREMIUM REDUCTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 10 May 2013, the Company announced that the Board is proposing the Distribution and the Share Premium Reduction. The purpose of this circular is to provide you with further information in respect of these proposals and to give you notice of the SGM.

PROPOSED DISTRIBUTION

On 10 May 2013, the Board proposed to make the Distribution of 14.64 HK cents (equivalent to approximately 1.88 US cents) per Share to the Shareholders.

The payment of the Distribution is conditional upon (a) the approval by the Shareholders by way of an ordinary resolution at the SGM; and (b) the Share Premium Reduction becoming unconditional and effective in accordance with its terms set out below. If these conditions are satisfied, the credit standing in the contributed surplus account of the Company arising from

LETTER FROM THE BOARD

the Share Premium Reduction will be applied towards the Distribution. Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. 21 June 2013 will be entitled to the Distribution. The Company expects that, subject to satisfaction of the above conditions, the Distribution will be paid to the Shareholders on or about 28 June 2013.

On the basis of a total of 683,069,279 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the total number of Shares from the Latest Practicable Date up to and including the date when the Distribution is approved by the Shareholders at the SGM, the total amount of the Distribution to be paid by the Company in cash will be approximately HK\$100.0 million (equivalent to approximately US\$12.8 million).

PROPOSED SHARE PREMIUM REDUCTION

In connection with the payment of the Distribution, the Board also proposed the Share Premium Reduction to reduce the amount standing to the credit of the share premium account of the Company by US\$12.8 million (equivalent to approximately HK\$100.0 million). The credit arising from the Share Premium Reduction will be transferred to the contributed surplus account of the Company. The Company will then apply the credit transferred to the contributed surplus account of the Company to pay the Distribution.

As at 31 March 2013, the share premium and the contributed surplus of the Company were approximately US\$22.7 million (equivalent to approximately HK\$177.1 million) and US\$9.9 million (equivalent to approximately HK\$77.2 million), respectively. On such basis, it is expected that after the Share Premium Reduction becoming unconditional and effective, the remaining balances of the share premium and the contributed surplus of the Company will be approximately US\$9.9 million (equivalent to approximately HK\$77.2 million) and US\$22.7 million (equivalent to approximately HK\$177.1 million), respectively.

The Share Premium Reduction is conditional upon (a) the approval by the Shareholders by way of a special resolution at the SGM; and (b) compliance of the applicable procedures and requirements under the laws of Bermuda to effect the Share Premium Reduction.

REASONS FOR, AND BENEFITS OF, THE DISTRIBUTION AND THE SHARE PREMIUM REDUCTION

As disclosed in the interim report of the Company for the six months ended 31 October 2012, the Group's financial position remains healthy with cash and cash equivalents of approximately US\$22.6 million (equivalent to approximately HK\$176.3 million) as at 31 October 2012. After taking into consideration the existing cash level, business prospects, capital commitment of the Group and the criteria set out in section 54 of the Companies Act and Bye-law 138, the Board considers it appropriate to make certain distributions to the Shareholders and that the Company has sufficient funds available to pay the Distribution.

The Share Premium Reduction and the transfer of the credit arising from the Share Premium Reduction to the contributed surplus account of the Company will allow the Company to apply the credit so transferred to the contributed surplus account of the Company to pay the Distribution. Accordingly, the Board considers that the payment of the Distribution and the Share Premium Reduction are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

EFFECT OF THE SHARE PREMIUM REDUCTION

The Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares. Implementation of the Share Premium Reduction will not, of itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole or the share capital of the Company other than related expenses incurred.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR THE PAYMENT OF THE DISTRIBUTION AND THE EXPECTED PAYMENT DATE

For the purpose of ascertaining the entitlement of the Shareholders to the proposed Distribution, the register of members of the Company will be closed from Wednesday, 19 June 2013 to Friday, 21 June 2013, both days inclusive, during which period no transfer of Shares will be registered.

In order to qualify for the proposed Distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 18 June 2013, for registration.

Subject to the Distribution becoming unconditional, the cheques for the Distribution are expected to be issued and despatched by ordinary posts to the Shareholders at their own risks on or about Friday, 28 June 2013.

SGM

The SGM will be held on Thursday, 13 June 2013 at 4:30 p.m. at Showroom 1A, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong at which an ordinary resolution and a special resolution will be proposed for approval by the Shareholders of the payment of the Distribution and the Share Premium Reduction, respectively. The notice convening the SGM is set out on pages 9 and 10 of this circular.

The register of members of the Company will be closed from Monday, 10 June 2013 to Thursday, 13 June 2013, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 7 June 2013, for registration.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy to the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with

LETTER FROM THE BOARD

the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM 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 SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

No Shareholder is required to abstain from voting on the relevant resolutions to approve the payment of the Distribution and the Share Premium Reduction at the SGM.

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 vote at the SGM pursuant to Bye-law 66.

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

RECOMMENDATIONS

The Board considers that the payment of the Distribution and the Share Premium Reduction are in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of all the relevant resolutions proposed at the SGM.

The Board wishes to remind the Shareholders that the Distribution and the Share Premium Reduction are subject to the applicable conditions mentioned in this circular, which may or may not be satisfied. Shareholders are therefore reminded to exercise caution when dealing in the securities of the Company.

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 Company. 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.

Yours faithfully,
For and on behalf of
LINMARK GROUP LIMITED
WANG Lu Yen
Chairman and Chief Executive Officer

NOTICE OF SGM



NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**Meeting**”) of Linmark Group Limited (“**Company**”) will be held on Thursday, 13 June 2013 at 4:30 p.m. at Showroom 1A, 1123, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong for the purposes of considering, and if thought fit, passing with or without modification the following resolutions, of which resolution numbered 1 will be proposed as a special resolution and resolution numbered 2 will be proposed as an ordinary resolution of the Company:

SPECIAL RESOLUTION NO. 1

“**THAT**, subject to the compliance with section 46(2) of the Companies Act 1981 of Bermuda and with effect from the next business date immediately after the date of passing of this special resolution, (i) the share premium account of the Company be reduced by the amount of US\$12.8 million; (ii) the credit arising as a result of such reduction be credited to the contributed surplus account of the Company; (iii) the directors of the Company (“**Directors**”) be and are hereby authorised to apply the credit so transferred to the contributed surplus account of the Company to make the distribution as contemplated under ordinary resolution no. 2 set out in the notice convening this meeting of which this resolution forms part; and (iv) the Directors be and are hereby authorised generally to carry out all acts and things which they may consider appropriate, necessary or desirable to give effect to or to implement the foregoing.”

ORDINARY RESOLUTION NO. 2

“**THAT**, subject to the passing of special resolution no. 1 set out in the notice convening this meeting of which this resolution forms part, and compliance with section 54(1) of the Companies Act 1981 of Bermuda and bye-law 138 of the bye-laws of the Company, the distribution (“**Distribution**”) of 14.64 HK cents per ordinary share of US\$0.02 each in the share capital of the Company be made out of the contributed surplus account of the Company to the shareholders (“**Shareholders**”) of the Company whose names appear on the register of members of the Company on 21 June 2013 (“**Record Date**”) and the Directors be and are hereby authorised generally to carry out all acts and things which they may consider appropriate, necessary or desirable to give effect to or to implement the foregoing and the transactions contemplated under this resolution including, without limitation, the determination of the exact amount to be distributed out of the contributed surplus account of the Company under this resolution, fixing, re-fixing or making any variations to the Record Date in accordance with the bye-laws of the Company and other aspects of the Distribution and the execution, amendment, supplement, delivery and implementation of any documents, agreements and deeds as they may deem fit in compliance with the legal and regulatory requirements and in the interests of the Company.”

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

Hong Kong, 21 May 2013

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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 Shareholder entitled to attend and vote at the 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 Shareholder. A form of proxy for use at the Meeting is enclosed with a circular of the Company dated 21 May 2013.
- (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 Hong Kong branch share registrar of the Company, 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 from attending and voting in person at the Meeting 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.
- (5) The register of members of the Company will be closed from Monday, 10 June 2013 to Thursday, 13 June 2013, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 7 June 2013.
- (6) Shareholders are advised to read the circular of the Company dated 21 May 2013 which contains information concerning the resolutions to be proposed in this notice.
- (7) According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of Shareholders at a general meeting of the Company must be taken by poll. Accordingly, the Chairman of the Meeting will exercise his power under the bye-laws of the Company to demand a poll in relation to the proposed resolutions at the Meeting.

As at the date of this notice, 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.