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## **LINMARK GROUP LIMITED**

**林麥集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 915**

### **PROPOSED DISTRIBUTION AND PROPOSED SHARE PREMIUM REDUCTION**

#### **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 Special General Meeting; and (b) the Share Premium Reduction becoming unconditional and effective in accordance with its terms.

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

#### **SPECIAL GENERAL MEETING**

In connection with the above proposals, the Company will convene the Special General Meeting 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 Company will despatch to the Shareholders a circular setting out further details of the Distribution and the Share Premium Reduction and containing a notice of the Special General Meeting and the related proxy form as soon as practicable.

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

The Company announces that the Board is proposing the Distribution and the Share Premium Reduction, the details of which are set out below.

## **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 Special General Meeting; 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 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 date of this announcement and assuming that there is no change in the total number of Shares from the date of this announcement up to and including the date when the Distribution is approved by the Shareholders at the Special General Meeting, 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 Special General Meeting; 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.

## **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**

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.

## **SPECIAL GENERAL MEETING**

In connection with the above proposals, the Company will convene the Special General Meeting 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 Company will despatch to the Shareholders a circular setting out further details of the Distribution and the Share Premium Reduction and containing a notice of the Special General Meeting and the related proxy form as soon as practicable.

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

## DEFINITIONS

In this announcement, the following expressions shall, unless the content requires otherwise, have the following meanings:

<b>“Board”</b>	the board of Directors;
<b>“Bye-laws”</b>	the bye-laws of the Company, as amended from time to time;
<b>“Companies Act”</b>	the Companies Act 1981 of Bermuda, as amended from time to time;
<b>“Company”</b>	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;
<b>“Director(s)”</b>	the directors of the Company;
<b>“Distribution”</b>	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 announcement;
<b>“Group”</b>	collectively, the Company and its subsidiaries from time to time;
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Record Date”</b>	the record date, being 21 June 2013, for the purpose of ascertaining the entitlement of the Shareholders to the Distribution;
<b>“Share(s)”</b>	ordinary share(s) of US\$0.02 each in the share capital of the Company;
<b>“Shareholder(s)”</b>	registered holder(s) of the Share(s);
<b>“Share Premium Reduction”</b>	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;

**“Special General Meeting”** the special general meeting of the Company to be convened for the purposes of approving the Distribution and the Share Premium Reduction;

**“Stock Exchange”** The Stock Exchange of Hong Kong Limited; and

**“US\$”** United States dollars, the lawful currency of the United States.

*All amounts in US\$ have been translated in HK\$ at a rate of US\$1 = HK\$7.8 in this announcement for illustration purpose only. The exchange rate does not constitute representations that any amount has been, could have been, or may be exchanged at this or any other rates at all.*

By Order of the Board  
**WANG Lu Yen**  
*Chairman and Chief Executive Officer*

Hong Kong, 10 May 2013

*As at the date of this 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.*

\* *For identification purpose only*