



LINMARK GROUP LIMITED

林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

ANNOUNCEMENT

This announcement is made in respect of the Company's public float having fallen below the prescribed percentage of 25 per cent. under Rule 8.08 of the Listing Rules as from 8 August 2006.

The Directors intend to consider various proposals in order to restore the public float of the shares of the Company. Further announcement will be made when any proposal has been confirmed.

At any time when the percentage shareholding of the Company in the public hands is below 25 per cent., the Stock Exchange will monitor closely all trading in the shares of the Company to ensure that a false market does not develop and will suspend the shares of the Company promptly if there is any unusual price movement.

Shareholders and investors of the Company should exercise extreme caution when dealing in the shares of the Company.

This announcement is made in respect of the public float of Linmark Group Limited ("**Company**") having fallen below the prescribed percentage of 25 per cent. under Rule 8.08 of the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

Based on the notice filed by Arisaig Greater China Fund Limited ("**Arisaig**") pursuant to section 324 of the Securities and Futures Ordinance on 10 August 2006, it acquired additional shares in the Company on 8 August 2006 ("**Acquisition**") which resulted in the increase in its percentage shareholding in the Company from approximately 9.97 per cent. to approximately 10.71 per cent. As a result of the Acquisition, Arisaig became a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Since Arisaig has become a substantial shareholder, and thus a connected person, of the Company because of the Acquisition, the shares of the Company held by Arisaig are no longer regarded as being held in the public hands under Rule 8.24 of the Listing Rules. As a consequence, the percentage shareholding of the Company in the public hands decreased from approximately 32.60 per cent. to approximately 21.89 per cent., which is below the prescribed percentage of 25 per cent. under Rule 8.08 of the Listing Rules.

The shortfall in the prescribed percentage of public float arose purely from an increased holding of shares in the Company by Arisaig which, as a result of the Acquisition, became a substantial shareholder of the Company. To the best knowledge, information and belief of the directors ("**Directors**") of the Company, save that Arisaig has become a substantial shareholder of the Company because of the Acquisition, Arisaig is otherwise independent of the Company, the Directors and any other substantial shareholders of the Company or any of its subsidiaries. Since the date of the Acquisition and up to the date of this announcement, RGS Holdings Limited, the controlling shareholder and the single largest shareholder of the Company, has been holding approximately 65.64 per cent. of the issued shares of the Company. RGS Holdings Limited is a wholly-owned subsidiary of Roly International Holdings Ltd., a company listed on the Singapore Exchange Securities Trading Limited. Arisaig has no representative on the board of Directors and, to the best knowledge, information and belief of the Directors, the shares of the Company

held by Arisaig belong to a fund managed by Arisaig Partners (Mauritius) Ltd. In light of the above, notwithstanding the fact that the shares of the Company held by Arisaig are no longer regarded as being held in the public hands, the Directors consider that there remains an open market in the shares of the Company.

The Directors intend to consider various proposals in order to restore the public float of the shares of the Company. Further announcement will be made when any proposal has been confirmed.

At any time when the percentage shareholding of the Company in the public hands remains below 25 per cent., the Stock Exchange will monitor closely all trading in the shares of the Company to ensure that a false market does not develop and will suspend the shares of the Company promptly if there is any unusual price movement.

Shareholders and investors of the Company should exercise extreme caution when dealing in the shares of the Company.

On behalf of the Board
WONG Wai Ming
Director

Hong Kong, 25 August 2006

As at the date of this announcement, the board of Directors comprises five executive Directors, being Mr. WANG Lu Yen (Chairman), Mr. Peter Loris SOLOMON (Chief Executive Officer), Mr. FU Jin Ming, Patrick, Mr. WONG Wai Ming and Mr. KHOO Kim Cheng and three independent non-executive Directors, being Mr. WANG Arthur Minshiang, Dr. WOON Yi Teng, Eden and Mr. TSE Hau Yin, Aloysius.

** For identification purpose only*

*Please also refer to the published version of this announcement in **The Standard**.*