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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker, 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 accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**PROPOSED GRANT OF OPTIONS  
TO AN EXECUTIVE DIRECTOR  
AND  
NOTICE OF THE SPECIAL GENERAL MEETING**

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A notice convening a special general meeting of Linmark Group Limited to be held on Monday, 24 September 2007 at 3:20 p.m. at Cliftons, Level 33, 9 Queen's Road Central, Hong Kong is set out on pages 10 and 11 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the special general meeting if you so wish.

7 September 2007

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	4
Proposed grant of options .....	5
Special General Meeting .....	7
Responsibility statement .....	8
Procedure to demand for a poll at general meetings .....	8
Recommendation .....	9
<b>Notice of Special General Meeting</b> .....	10

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## DEFINITIONS

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

“associates”	has the meaning ascribed to it in Rule 1.01 of Chapter 1 of the Listing Rules
“Board”	the board of Directors or a duly authorised committee of the board of Directors
“Company”	Linmark Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder”	<p>any person who has the power, directly or indirectly, to secure:</p> <ul style="list-style-type: none"><li>(i) by means of the holding of shares entitling him to exercise or control the exercise of 30 per cent. (or such lower amount as may from time to time be specified in the Code on Takeovers and Mergers (approved by the Securities and Futures Commission of Hong Kong as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company; or</li><li>(ii) by means of controlling the composition of a majority of the Directors; or</li><li>(iii) by virtue of any powers conferred by the constitutional document of the Company or any other corporation,</li></ul> <p>that the affairs of the Company are conducted in accordance with the wishes of such person</p>
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Eligible Person”

means:

(i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or

(b) any individual for the time being seconded to work for,

the Company or any entity in which the Company, directly or indirectly, holds any equity interest or any Controlling Shareholder or any company controlled by a Controlling Shareholder; or

(ii) any holder of any securities issued by the Company or any entity in which the Company, directly or indirectly, holds any equity interest or any Controlling Shareholder or any company controlled by a Controlling Shareholder; or

(iii) (a) any business partner, agent, consultant or representative of, or any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to,

(b) any supplier of goods or services to, or

(c) any customer of,

the Company or any entity in which the Company, directly or indirectly, holds any equity interest or any Controlling Shareholder or any company controlled by a Controlling Shareholder;

and shall include any company controlled by one or more persons belonging to any of the above classes of participants

“Group”

the Company and its subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Individual Limit”	the maximum entitlement of each Eligible Person under the Share Option Scheme stipulated in the Note to Rule 17.03(4) of the Listing Rules, namely, that the aggregate number of Shares issued and to be issued upon exercise of the options granted to such Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed one per cent. of the Shares in issue of the Company
“Latest Practicable Date”	5 September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Solomon”	Mr. Peter Loris SOLOMON, an executive Director and the Chief Executive Officer of the Group
“Share(s)”	share(s) of US\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 22 April 2002 and amended on 6 November 2002 and 16 August 2004
“Special General Meeting”	the special general meeting of the Company to be held on Monday, 24 September 2007, notice of which is set out on pages 10 and 11 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “cents”	Hong Kong dollars and cents respectively
“US\$”	United States dollars

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## LETTER FROM THE BOARD

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### **LINMARK GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 915)**

*Executive Directors:*

Mr. WANG Lu Yen (*Chairman*)

Mr. Peter Loris SOLOMON  
(*Chief Executive Officer*)

Mr. KHOO Kim Cheng

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Mr. WONG Wai Ming

Mr. Gregory Scott LEONG

*Head office and principal place of  
business in Hong Kong:*

1101-1108  
Hong Kong 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. KWOK Tai Ki

7 September 2007

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANT OF OPTIONS  
TO AN EXECUTIVE DIRECTOR  
AND  
NOTICE OF THE SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

It was proposed that at the Special General Meeting, an ordinary resolution to approve the grant of options to Mr. Solomon to subscribe for Shares (such options, the grant of which if approved by the Shareholders, will entitle him to subscribe for Shares in excess of the Individual Limit). The principal purpose of this circular is to provide the Shareholders with details of the proposal in relation to the proposed grant of options to Mr. Solomon in excess of the Individual Limit.

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## LETTER FROM THE BOARD

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### PROPOSED GRANT OF OPTIONS

#### Background

The Board proposes that, having considered Mr. Solomon's continuing contribution to the Group as the Chief Executive Officer of the Group and his dedication of great efforts towards the development and growth of the Group, options ("Options") shall be granted to Mr. Solomon, under the Share Option Scheme, to allow him to subscribe for 10,500,000 Shares in aggregate, representing approximately 1.57 per cent. of the issued share capital of the Company as at the Latest Practicable Date.

Pursuant to the Note to Rule 17.03(4) of the Listing Rules, the total number of securities issued and to be issued upon exercise of the options granted to each participant (including exercised and outstanding options) in any 12-month period must not exceed one per cent. of the relevant class of securities of the listed issuer in issue. Any grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over one per cent. of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his associates abstaining from voting. As the grant of the Options is in excess of the Individual Limit, the grant of the Options is subject to approval of the Shareholders.

No Director is a trustee of the Share Option Scheme nor have any direct or indirect interest in such trustee.

#### Particulars of the Options

##### *Condition*

The grant of the Options, which was determined by the remuneration committee of the Board on 24 August 2007, is conditional upon obtaining the Shareholders' approval of such grant at the Special General Meeting in accordance with the Note to Rule 17.03(4) of the Listing Rules with Mr. Solomon and his associates abstaining from voting. As at 24 August 2007, the date of grant of the Options, the remuneration committee of the Board comprises three members, two of which are independent non-executive Directors. The grant of the Options has also been approved by all independent non-executive Directors pursuant to Rule 17.04(1) of the Listing Rules.

##### *Underlying Shares and exercise period*

The grant of the Options, if approved at the Special General Meeting by the Shareholders, will entitle Mr. Solomon to subscribe for 10,500,000 Shares, over a period of five years commencing on 24 August 2008 and expiring on 23 August 2013 in accordance with the vesting schedule set out in the relevant offer letters. As set out in the relevant offer letters, the

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## LETTER FROM THE BOARD

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Options shall be exercisable one year after the Date of Grant (as defined below), provided that up to 40% of the Options shall be exercisable during the second year after the Date of Grant, up to 70% of the Options shall be exercisable during the second and third years after the Date of Grant and all of the Options (to the extent not exercised) shall be exercisable after the date falling on the expiry of the last day of the third year after the Date of Grant. Save as disclosed, there is no minimum period for which the Options must be held before it can be exercised or performance target that must be achieved before the Options can be exercised. HK\$1 will be paid by Mr. Solomon upon acceptance of each of the offer letters.

As at the Latest Practicable Date, the issued share capital of the Company was approximately US\$13,418,400 comprising 670,920,009 Shares. Exercise of the subscription rights attaching to the Options in full will entitle Mr. Solomon to subscribe for 10,500,000 Shares, representing approximately 1.57 per cent. of the issued share capital of the Company as at the Latest Practicable Date and approximately 1.54 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of Shares upon exercise of the Options.

### *Exercise price*

The price payable by Mr. Solomon to the Company when he exercises the subscription rights attached to the Options is HK\$0.83 per Share, being equal to the higher of:

- (a) HK\$0.83, the closing price of the Shares on the Stock Exchange as stated in the daily quotations sheet issued by the Stock Exchange on 24 August 2007, which is the day on which the Options were conditionally granted to Mr. Solomon (“**Date of Grant**”); and
- (b) HK\$0.776, the average closing price of the Shares on the Stock Exchange as stated in its daily quotations sheets for the five trading days immediately preceding the Date of Grant (that is, the average closing price of the Shares on 17 August 2007, 20 August 2007, 21 August 2007, 22 August 2007 and 23 August 2007 of HK\$0.70, HK\$0.74, HK\$0.74, HK\$0.84 and HK\$0.86 respectively).

### *Voting, dividend, transfer and other rights attaching to the Options*

If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of the Options or any of them, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to the Shareholders on the register on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares allotted upon the exercise of the outstanding Options or any of them will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of such exercise. Shares allotted upon the exercise of the Options or any of them for the time being outstanding shall not carry voting rights until completion of the registration of Mr. Solomon as the holder thereof.



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## LETTER FROM THE BOARD

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The Options shall not be transferable or assignable and shall be personal to Mr. Solomon.

If, in consequence of any general offer made to all the Shareholders, other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror, Mr. Solomon (being the holder of the Options which then remain outstanding) shall be entitled to exercise at any time within a period of 14 days after such control has been obtained by the offeror any option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such option from being exercisable at that time). For the avoidance of doubt, the Options not so exercised shall remain valid in accordance with their terms and subject to such restrictions as applied to them before the general offer.

If notice is given by the Company to its Shareholders of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice to all grantees of options (including Mr. Solomon for so long as he remains a holder of option(s) granted under the Share Option Scheme) and each grantee (including Mr. Solomon for so long as he remains a holder of option(s) granted under the Share Option Scheme) shall be entitled, at any time no later than two business days prior to the proposed general meeting of the Company to exercise any of his outstanding options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise be duly passed, all options, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connect with a scheme for the reconstruction or amalgamation of the Company pursuant to the Companies Act of Bermuda, notice of the relevant meeting shall be given to the grantees of options (including Mr. Solomon for so long as he remains a holder of option(s) granted under the Share Option Scheme) on the same day notice is given to the Company's members and creditors, and thereupon each grantee (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing on such date and ending on the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his option, but such exercise of an option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all options (including the Options (to the extent not exercised)) will lapse.

### **SPECIAL GENERAL MEETING**

The notice of the Special General Meeting is set out on pages 10 and 11 of this circular. At the Special General Meeting, an ordinary resolution will be proposed to approve the grant of the Options to Mr. Solomon.

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## LETTER FROM THE BOARD

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A form of proxy for use by Shareholders at the Special General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Special General Meeting if you so wish.

Mr. Solomon and his associates will abstain from voting in respect of the ordinary resolution to approve the proposed grant of the Options. As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Solomon held 350,000 Shares (representing approximately 0.05 per cent. of the issued share capital of the Company as at the Latest Practicable Date) as beneficial owner and no Share was held by Mr. Solomon's associates. Pursuant to Rule 13.39(4)(d) of the Listing Rules, the vote on the ordinary resolution to approve the proposed grant of the Options at the Special General Meeting has to be taken on a poll.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### **PROCEDURE TO DEMAND FOR A POLL AT GENERAL MEETINGS**

Pursuant to Bye-law 66 of the bye-laws of the Company, a resolution put to the vote of any general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

### RECOMMENDATION

Having considered Mr. Solomon's continuing contribution to the Group as the Chief Executive Officer of the Group and his dedication of great efforts towards the development and growth of the Group, and also the terms of the proposed grant of the Options to Mr. Solomon, the Directors (including the independent non-executive Directors) consider that the grant of the Options to Mr. Solomon is in the best interests of the Company and the Shareholders and recommend the Shareholders to vote in favour of the ordinary resolution set out in the notice convening the Special General Meeting.

Yours faithfully  
For and on behalf of the Board  
**WANG Lu Yen**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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### **LINMARK GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 915)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Linmark Group Limited (the “**Company**”) will be held on Monday, 24 September 2007 at 3:20 p.m. at Cliftons, Level 33, 9 Queen’s Road Central, Hong Kong for the purpose of considering and, if thought fit, passing the following ordinary resolution:

“**THAT** the grant of options to Mr. Peter Loris SOLOMON pursuant to the share option scheme of the Company adopted on 22 April 2002 which would entitle him to subscribe for 10,500,000 shares of US\$0.02 each of the Company in excess of the Individual Limit (as such term is defined in a circular of the Company dated 7 September 2007, a copy of which marked “A” is produced to this meeting and for the purposes of identification signed by the Chairman hereof) be and is hereby approved, confirmed and ratified and the board of directors of the Company or a duly appointed committee thereof be and are/is authorised to do all such acts as may be necessary or expedient in order to give full effect to such grant of options.”

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

7 September 2007

*Head office and principal place  
of business in Hong Kong:*

1101-1108  
Hong Kong International Trade & Exhibition Centre  
1 Trademart Drive  
Kowloon Bay  
Kowloon  
Hong Kong

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## NOTICE OF SPECIAL GENERAL MEETING

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*Notes:*

- (1) A member entitled to attend and vote at the above 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 member of the Company. A form of proxy for use at the meeting is enclosed with a circular of the Company dated 7 September 2007.
- (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 Company's branch share registrar in Hong Kong, 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 of the Company from attending and voting in person at the meeting convened 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) Mr. Peter Loris SOLOMON, together with his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), will abstain from voting in relation to the resolution as set out in the notice convening this meeting.