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LINMARK GROUP LIMITED

林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 915

CONTINUING CONNECTED TRANSACTIONS MASTER AGREEMENT FOR LEASING OF PROPERTIES

The Board announces that on 28 November 2011, Tamarind (for its own and on behalf of the Tamarind Group) entered into the Master Lease Agreement with Wellbuild (for its own and on behalf of the Wellbuild Group), whereby the Tamarind Group will lease properties from the Wellbuild Group.

As Wellbuild is (i) a wholly-owned subsidiary of Roly; and (ii) a controlled corporation and an associate of Mr. Wang, Wellbuild and its subsidiaries are regarded as connected persons of the Company. Accordingly, the transactions contemplated under the Master Lease Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As all the applicable percentage ratios in each category are more than 0.1% but less than 5%, such transactions are only subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 28 November 2011, Tamarind (for its own and on behalf of the Tamarind Group) entered into the Master Lease Agreement with Wellbuild (for its own and on behalf of the Wellbuild Group), whereby the Tamarind Group will lease properties from the Wellbuild Group.

THE MASTER LEASE AGREEMENT

Date: 28 November 2011

Parties: (1) Tamarind (for its own and on behalf of the Tamarind Group); and
(2) Wellbuild (for its own and on behalf of the Wellbuild Group)

Transaction nature: Leasing of properties by the Tamarind Group from the Wellbuild Group by way of sub-letting arrangement

Term: Three years from 1 April 2012 to 31 March 2015

Rental: HK\$330,000 per month (inclusive of management fee)

Other major terms:

The Master Lease Agreement provides a framework for the leasing of the Properties by the Tamarind Group from the Wellbuild Group by way of sub-letting arrangement. The rental for the Properties is negotiated between the parties with reference to the then prevailing market rates. The rental payment will be paid in cash on a monthly basis by the Tamarind Group to the Wellbuild Group.

Annual Caps

The Annual Caps in respect of the transactions contemplated under the Master Lease Agreement for the relevant financial years ending 30 April 2015 are set out below:

Year ending 30 April 2012	Year ending 30 April 2013	Year ending 30 April 2014	Year ending 30 April 2015
HK\$330,000	HK\$3,960,000	HK\$3,960,000	HK\$3,630,000

The Annual Caps are calculated with reference to the aggregate rental payable by the Tamarind Group to the Wellbuild Group under the Master Lease Agreement.

REASONS AND BENEFITS OF THE TRANSACTIONS

The Master Lease Agreement sets out a framework of the terms of the sub-letting arrangement between the parties. The Directors are of the view that it represents an opportunity for the Tamarind Group to relocate its Shanghai office to a prime business location without increasing the overall rental cost as compared to the existing leasing arrangement.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Master Lease Agreement are entered into in the ordinary and usual course of business of the Group, and the Master Lease Agreement (together with the Annual Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the Master Lease Agreement (together with the Annual Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Wang is considered to have a material interest in the transactions contemplated under the Master Lease Agreement by virtue of his directorship and interests in Wellbuild, and therefore he has abstained from voting on the board resolution approving the transactions contemplated under the Master Lease Agreement.

LISTING RULES IMPLICATIONS

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GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in sales of merchandise and provision of procurement and value-added services. The Wellbuild Group is principally engaged in properties investment.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Lease Agreement”	the master lease agreement entered into between Tamarind and Wellbuild on 28 November 2011 in relation to the leasing of the Properties by the Tamarind Group from the Wellbuild Group
“Mr. Wang”	Mr. WANG Lu Yen, an executive Director, the chairman, the chief executive officer and a substantial shareholder of the Company and a director of Wellbuild

“Properties”	certain portion of a commercial building in Shanghai, the People’s Republic of China with gross floor area of approximately 1,967 square metres
“Roly”	Roly International Holdings Ltd., a company incorporated in Bermuda, which is a controlled corporation of Mr. Wang
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tamarind”	Tamarind International Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
“Tamarind Group”	Tamarind and its subsidiaries from time to time, the principal activities of which are procurement agent and trading of merchandise
“Wellbuild”	Wellbuild International Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Roly
“Wellbuild Group”	Wellbuild and its subsidiaries from time to time, the principal activity of which is properties investment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 28 November 2011

As at the date of this announcement, the board of directors of the Company 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*