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LINMARK

LINMARK GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 915)

RETIREMENT OF AUDITORS, PROPOSED APPOINTMENT OF NEW AUDITORS AND AMENDMENTS TO BYE-LAWS

The Directors announce that it is proposed that at the AGM, upon the retirement of the existing auditors of the Company, Messrs. PricewaterhouseCoopers will be appointed as the new auditors of the Company.

The Directors also announce that a special resolution for the amendments to the Bye-laws will be proposed at the AGM.

A circular containing details of, among other matters, the proposed appointment of new auditors and the proposed amendments to the Bye-laws will be despatched to the shareholders of the Company as soon as practicable.

CHANGE OF AUDITORS

Messrs. Deloitte Touche Tohmatsu will retire as auditors of the Company at the AGM. A resolution will be proposed at the AGM to appoint Messrs. PricewaterhouseCoopers as auditors of the Company following the retirement of Messrs. Deloitte Touche Tohmatsu and to hold office until the conclusion of the next annual general meeting of the Company. Messrs. Deloitte Touche Tohmatsu have confirmed that there were no circumstances connected with their retirement which they considered ought to be brought to the attention of the shareholders of the Company or creditors.

The proposed change of auditors is made to facilitate and ensure timely disclosure of financial statements of Roly International, the ultimate holding company of the Company, and its subsidiaries (including the Group) pursuant to the new requirement under the Listing Manual of the SGX-ST. Pursuant to Rule 705 of the Listing Manual of the SGX-ST, for financial year commencing on or after 1 January 2004, any company listed on the SGX-ST whose market capitalisation exceeds Singapore dollars 75,000,000 as at 31 March 2003 is required to announce its financial statements for each of the first three quarters and the full financial year no later than 45 days after the relevant financial period. Given that Roly International is required to comply with such requirements and that Roly International has adopted a policy, in addition to the annual audit, that its interim results should be reviewed by its auditors, it is proposed that Roly International and the Company should appoint the same auditors. Messrs. PricewaterhouseCoopers are the current auditors of Roly International.

Pursuant to Bye-law 156(2) of the Bye-laws, a person, other than an incumbent auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than twenty-one days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent auditor. Section 89(3) of the Companies Act stipulates the same requirements. The Company has received from RGS Holdings Limited, being the single largest shareholder of the Company, a notice in writing of its intention to appoint Messrs. PricewaterhouseCoopers as the auditors of the Company at the AGM, and the Company has sent a copy of such notice to Messrs. Deloitte Touche Tohmatsu, in accordance with Bye-law 156(2) of the Bye-laws and section 89(3) of the Companies Act.

AMENDMENTS TO THE BYE-LAWS

As announced by the Stock Exchange in its press release dated 30 January 2004, the Stock Exchange has revised the Listing Rules based on the results of the Consultation Conclusions on Proposed Amendments to the Listing Rules relating to Corporate Governance Issues issued in January 2003. To ensure compliance with the revised Appendix 3 to the Listing Rules which came into effect on 31 March 2004, a special resolution for the amendments to the Bye-laws will be proposed at the AGM.

In general, the proposed amendments to the Bye-laws are to be made to conform to the following that relates to corporate governance:

- (a) the minimum seven-day period of lodgment by the shareholders of notice to nominate a Director shall commence no earlier than the date after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (b) a Director shall abstain from voting at the meeting of the Board on any matter in which he or any of his associates has a material interest and not to be counted towards the quorum of the relevant meeting of the Board; and
- (c) where any shareholder is, under the amended Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

GENERAL

A circular containing details of, among other matters, the proposed appointment of new auditors and the proposed amendments to the Bye-laws will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

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

"AGM"

the forthcoming annual general meeting of the Company convened to be held on 16 August 2004 at 3:00 p.m. at Chater Room II & III, Function Room Level, B1, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong

"Board" the board of Directors

"Bye-laws" the bye-laws of the Company adopted on 22 April 2002

"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. As at the date of this announcement, the Company was a 66.8

per cent. subsidiary of Roly International

"Companies Act" the Companies Act 1981 of Bermuda

"Director(s)" director(s) of the Company

"Group" the Company and its subsidiaries

"Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange

"Roly International" Roly International Holdings Ltd., the ultimate holding company of the

Company, a company listed on the SGX-ST

"SGX-ST" Singapore Exchange Securities Trading Limited

"Share(s)" ordinary share(s) of US\$0.02 in the share capital of the Company

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"US\$" United States dollars, the lawful currency of the United States

As at the date of this announcement, the Directors are as follows:

Executive Directors: Mr. WANG Lu Yen (Chairman)

Mr. Steven Julien FENIGER (Chief Executive Officer)

Mr. FU Jin Ming, Patrick Mr. KHOO Kim Cheng Mr. KWOK Chi Kueng

Independent non- Mr. WANG Arthur Minshiang

executive Directors: Mr. WONG Wai Ming

Dr. WOON Yi Teng, Eden

By Order of the Board
WANG Lu Yen
Chairman

Hong Kong, 21 July 2004

Please also refer to the published version of this announcement in the (The Standard)