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Link Holdings Limited

華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8237)

REALLOCATION AND CHANGE IN USE OF PROCEEDS

The Board has resolved to reallocate and change the use of proceeds from the Placing to pay for the implementation cost of the Bintan Development Plan and for working capital and general corporate purpose of the Group.

Reference is made to the prospectus (the “**Prospectus**”) of the Company dated 30 June 2014 relating to the Placing and Listing of the Shares on GEM. The Board has resolved to reallocate and change the use of proceeds from the Placing. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

USE OF PROCEEDS

As set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Company intended to use the net proceeds received from the Placing, inter alia, for the following purposes:

- approximately HK\$60.0 million, representing approximately 61.8% of the net proceeds from the Placing, will be used for enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation.
- approximately HK\$26.1 million, representing approximately 26.9% of the net proceeds from the Placing, will be used for devising a master plan for the future development of the Bintan Assets.
- approximately HK\$6.0 million, representing approximately 6.2% of the net proceeds from the Placing, will be used for identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries.
- approximately HK\$5.0 million, representing approximately 5.1% of the net proceeds from the Placing, will be used for working capital and other general corporate purposes.

As at the date of this announcement, approximately HK\$17.6 million has been used for enhancement and upgrade of Link Hotel; approximately HK\$0.2 million has been used for devising the master plan of the Bintan Assets and approximately HK\$5 million has been fully utilised for working capital and other general corporate purpose.

REASONS FOR REALLOCATION AND CHANGE IN USE OF PROCEEDS

With the completion of acquisition of the Bintan Assets, the Group has obtained the legal title of the Bintan Assets in June 2014. The Group is still in the course of devising the Bintan master development plan. As the date of this announcement, the preliminary first phase of the master development plan has been submitted to the Board for approval. Subject to the final approval of the Board, the first phase of the Bintan Development Plan will comprise, inter alia, a beachfront resort. The construction work of which is expected to commence by the end of 2015 and the costs for the construction work of the beachfront resort is estimated to be approximately HK\$66.7 million, of which approximately HK\$51.3 million will be financed from the proceeds received from the Placing and the balance of the construction cost will be financed either by equity fund raising or by debt financing, when necessary.

Further, a bank facility of approximately SGD 6.5 million (equivalent to approximately HK\$37.2 million) was obtained from DBS Bank Limited on 16 June 2015 and such loan is restricted for the renovation and upgrading the facilities of Link Hotel. As a result, the Board proposed to reallocate part of the proceeds received from the Placing originally allocated for enhancing and upgrading Link Hotel to the implementation of the Bintan Development Plan and for working capital and other general corporate purpose of the Group, including but not limited to operating cash for the beachfront resort, expansion and set-up of office in different business locations.

As such, the Board has resolved to re-allocate, with immediate effect, the use of net proceeds as follows:

	Original intended use of net proceeds as set out in the Prospectus HK\$ (million)	Revised intended use after reallocation of net proceeds HK\$ (million)
Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation	60.0	22.8
Devising a master development plan for the future development of the Bintan Assets and the construction of the beachfront resort according to the preliminary first phase of the master development plan	26.1	51.3
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	6.0	6.0
Use of working capital and other general corporate purpose of the Group	5.0	17.0
Total	97.1	97.1

The Board is of the view that the reallocation and change in use of proceeds from the Placing would meet the financial needs of the Group more efficiently with regard to the latest development of the Group's operations and business. The Board believes that such flexibility in financial management is in the interest of the Company and its shareholders as a whole.

By order of the Board of

Link Holdings Limited

Ngan Iek

Chairman and non-executive Director

Hong Kong, 16 June 2015

In this announcement, for reference only, the translation of Singaporean dollars into Hong Kong dollars is based on the exchange rate of S\$1.00 = HK\$5.7240.

As at the date of this announcement, the executive Directors are Datuk Siew Pek Tho, Mr. Chen Changzheng and Mr. Wong Ip; the non-executive Directors are Mr. Ngan Iek and Ms. Ngan Iek Peng; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Chan So Kuen and Mr. Lai Yang Chau, Eugene.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.linkholdingslimited.com.