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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)**

### **SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

**Financial adviser**



**Guotai Junan Capital Limited**

#### **SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS**

The Board is pleased to announce that on 8 October 2015 (after trading hours), the Company and CMI Hong Kong entered into the Subscription Agreement, pursuant to which CMI Hong Kong has agreed to subscribe for and the Company has agreed to:

- (a) allot and issue 690,000,000 Subscription Shares at the Subscription Price of HK\$0.33 per Subscription Share; and
- (b) issue the Convertible Bonds in the principal amount of HK\$25,278,000, which entitle the holder(s) thereof to subscribe for 76,600,000 Conversion Shares at the initial Conversion Price (subject to adjustment) of HK\$0.33 per Conversion Share.

#### **GENERAL**

The EGM will be held to consider and, if thought fit, pass the requisite ordinary resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the specific mandate for the allotment and issue of the Subscription Shares and the Conversion Shares upon conversion of the Convertible Bonds. CMI Hong Kong and its associates do not currently hold any Shares and will not vote on any of the resolutions.

**Completion of the Subscription is conditional upon, among other things, the listing of and permission to deal in the Subscription Shares and Conversion Shares being granted by the GEM Listing Committee of the Stock Exchange. As such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the Shares.**

Reference is made to the announcement of the Company dated 17 September 2015 in relation to the letter of intent dated 15 September 2015 entered into between the Company and CMI Hong Kong in respect of, among others, the proposed subscription for new Shares and convertible bonds.

## **THE SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that on 8 October 2015 (after trading hours), the Company and CMI Hong Kong entered into the Subscription Agreement in relation to the subscription of the Subscription Shares and Convertible Bonds.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of CMI Hong Kong and its ultimate beneficial owners is an Independent Third Party.

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

### **The Subscription**

Pursuant to the Subscription Agreement, CMI Hong Kong has agreed to subscribe for and the Company has agreed to:

- (a) allot and issue 690,000,000 Subscription Shares at the Subscription Price of HK\$0.33 per Subscription Share; and
- (b) issue the Convertible Bonds in the principal amount of HK\$25,278,000, which entitle the holder(s) thereof to subscribe for 76,600,000 Conversion Shares at the initial Conversion Price of HK\$0.33 per Conversion Share.

### **Status of the Subscription Shares and Conversion Shares**

The Subscription Shares, when allotted, issued and fully paid, and the Conversion Shares, when issued and delivered in the manner contemplated by the Convertible Bonds will rank pari passu and carry the same rights and privileges in all respects with the other Shares in issue and shall be entitled to all dividends and other distributions declared, paid or made thereon.

### **Application for listing**

The Company shall make an application to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares and Conversion Shares. No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange.

## **Principal terms of the Convertible Bonds**

Issuer	:	the Company
Principal amount	:	HK\$25,278,000
Interests	:	0.01% per annum, payable annually in arrears
Maturity date	:	the date falling on the 5th anniversary of the date of issue of the Convertible Bonds
Conversion Shares	:	based on the initial Conversion Price of HK\$0.33, up to 76,600,000 Conversions Shares will be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing:  (i) approximately 2.74% of the existing issued share capital of the Company;  (ii) approximately 2.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price; and  (iii) approximately 2.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price, assuming that there would be no other Shares to be allotted and issued
Conversion Price	:	HK\$0.33 per Conversion Share, subject to the adjustments set out and in accordance with the terms and conditions of the Convertible Bonds
Adjustment events	:	The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:  (i) consolidation, subdivision or reclassification of the Shares;  (ii) capitalisation of profits or reserves;  (iii) capital distribution;  (iv) offer of new Shares for subscription by way of rights, or issue or grant options or warrants or other rights to subscribe for new Shares, at a price which is less than 90% of the market price per Share to Shareholders;

- (v) issue of securities convertible into or exchangeable for or carrying rights of subscription for new Shares;
- (vi) issue of Shares or issue or grant options, warrants or other rights to subscribe for, purchase or acquire Shares at a price less than 90% of the market price per Share;
- (vii) issue of securities convertible into or exchangeable for or carrying rights of subscription for new Shares at a consideration per Share which is less than 90% of the market price per Share;
- (viii) modification of the rights of conversion, exchange or subscription attaching to such securities under (vii) above so that the consideration per Share is reduced and is less than 90% of the market price per Share;
- (ix) issue, sale or distribution of securities in connection with an offer to which Shareholders are generally entitled to participate in arrangements whereby such securities may be acquired by them; and
- (x) other events which the Company determines that an adjustment should be made to the Conversion Price.

Conversion Period	:	the period commencing from the date of issue of the Convertible Bond and up to the date falling seven days prior to the Maturity Date
Transferability	:	the Convertible Bonds and the Conversion Shares are freely transferable at any time after Completion without being subject to any lock-up period
Events of default	:	<p>If any of the following events occurs, the holders of not less than 50% in principal amount of the Convertible Bonds outstanding may give notice to the Company that the Bonds are, and they shall immediately become due and repayable at 130% of the principal amount:</p> <ul style="list-style-type: none"> <li>(i) Non-Payment: the Company fails to pay the principal of any of the Convertible Bonds when due and the default continues for a period of seven days (in case of failure to pay principal); or</li> <li>(ii) Failure to deliver Shares: any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of the Convertible Bonds; or</li> <li>(iii) Shareholding of the Controlling Shareholder: the shareholding of the Controlling Shareholders, on an aggregate basis, falling below 50% of the total issued Shares, or</li> </ul>

- (iv) Breach of other obligations: the Company does not perform or comply with any one or more of its other obligations in the Convertible Bonds which is remediable and the Company shall have failed to remedy the same within 21 days following the date of service of a notice by the holder of the Convertible Bonds on the Company to remedy such event; or
- (v) Cross-default: (a) any other present or future indebtedness of the Company or any of its Major Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Company or any of its Major Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in paragraph (vi) below have occurred equals or exceeds HK\$3,000,000 or its equivalent; or
- (vi) Enforcement proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or substantially all of the property, assets or revenues of the Company or any of its Major Subsidiaries which is not discharged or stayed within 30 days; or
- (vii) Security enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Major Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) against all or substantially all of the property, assets or revenues of the Company or any of its Major Subsidiaries which is not discharged or stayed within 30 days; or

- (viii) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its Major Subsidiaries and such order is not discharged or stayed within 30 days, or the Company or any of its Major Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by the holder of the Convertible Bonds, or (b) in the case of a Major Subsidiary, whereby the undertaking and assets of such Major Subsidiary are transferred to or otherwise vested in the Company or another of its Major Subsidiaries; or
- (ix) Insolvency: the Company or any of its Major Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any substantial part of such debts or a moratorium is agreed or declared in respect of or affecting all or any substantial part of (or of a particular type of) the debts of the Company or any of its Major Subsidiaries; an administrator or liquidator of the Company or any of its Major Subsidiaries or the whole or any substantial part of the assets and turnover of the Company or any of its Major Subsidiaries is appointed; or
- (x) Authorisation and consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to ensure that the Company's obligations under the Convertible Bonds are legally binding and enforceable, and (b) to make the Convertible Bonds admissible in evidence in the courts of the Cayman Islands and Hong Kong is not taken, fulfilled or done; or
- (xi) Illegality: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Convertible Bonds; or
- (xii) Analogous events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of paragraphs (vi) to (ix) above (both inclusive).

Covenant over issue of securities below Subscription Price	:	so long as the Convertible Bonds remain outstanding and CMI Hong Kong is a holder of any Convertible Bonds, no issue of Shares or securities having the right to subscribe for, convert into, purchase, or otherwise acquire Shares, at a price per Share below the Subscription Price unless prior consent from CMI Hong Kong has been obtained
Other covenants	:	<p>so long as CMI Hong Kong is a holder of any Convertible Bonds, during the term of the Convertible Bonds, without the prior written consent of CMI Hong Kong, the Company shall not take or cause to be taken by the Group the following actions:</p> <ul style="list-style-type: none"> <li>(i) any consolidation, reorganisation, reduction, subdivision, issue or repurchase of any shares of the Company;</li> <li>(ii) winding up or liquidation of the Company;</li> <li>(iii) any alteration of the constitutional documents of the Company;</li> <li>(iv) any material change in the business of the Company;</li> <li>(v) the creation of any mortgage, lien, charge, encumbrance or other security interest of whatsoever nature in respect of any material part of the undertaking, property or assets of any members of the Group;</li> <li>(vi) any disposal of assets or equity interest held by the Group involving a consideration of or having a book or market value in excess of HK\$10,000,000;</li> <li>(vii) any acquisition of assets or investment in equity interest by the Group involving a consideration in excess of HK\$50,000,000, or incurring or entering into any transactions involving capital expenditure in excess of HK\$50,000,000;</li> <li>(viii) any change in the accounting policies or practice or auditors by any members of the Group;</li> <li>(ix) any borrowing or financing by any member of the Group other than by way of normal trade credit, where such borrowing would result in aggregate borrowings by the Group being in excess of HK\$20,000,000;</li> <li>(x) any distribution of profits by the Company;</li> <li>(xi) the commencement or settlement by any member of the Group of any litigation, arbitration or other proceedings which exceed HK\$10,000,000 in value;</li> </ul>

- (xii) any restructuring of any borrowings by any member of the Group with creditors including without limitation to a deferral of repayment;
- (xiii) issue any shares, convertible securities, debt securities or otherwise raise capital, as an independent event or series of linked events, with a value in excess of HK\$10,000,000; and
- (xiv) issue any direct, unsubordinated, unconditional and unsecured debt securities, unless it is expressly agreed that any such debt securities rank behind the Convertible Bonds.

### **Subscription Price and Conversion Price**

The Subscription Price of HK\$0.33 per Share is equivalent to the initial Conversion Price of HK\$0.33 per Conversion Share, which represents:

- (i) a discount of approximately 65.63% to the closing price of HK\$0.960 per Share as quoted on the Stock Exchange on 8 October 2015, being the date of the Subscription Agreement;
- (ii) a discount of approximately 66.19% to the average of the closing price of approximately HK\$0.976 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iii) a discount of approximately 65.87% to the average of the closing price of approximately HK\$0.967 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iv) a premium of approximately 328.6% over the unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK\$0.077, based on the latest unaudited net asset value attributable to owners of the Company of approximately HK\$215.3 million as at 30 June 2015 and the number of Shares in issue of 2,800,000,000 Shares as at the date of this announcement.

The Subscription Price and the initial Conversion Price have been determined after arm's length negotiations between the Company and CMI Hong Kong with reference to the then prevailing market price of the Shares and the unaudited net asset value of the Company as at 30 June 2015. In particular, the Company has taken into account the following factors in determining the Subscription Price and the initial Conversion Price:

- (i) as disclosed in the prospectus of the Company dated 30 June 2014, the Company will raise funds for development of the Bintan Project. The purpose of the Subscription with CMI Hong Kong is to raise funds for the Company for development of the Bintan Project and for future acquisitions. Equity financing by way of the Subscription is more practicable and direct under the current volatile market and the uncertain global market conditions;
- (ii) CMI Hong Kong endorses the Company's business and in particular the Bintan Project and is considered as a strategic shareholder and not merely an investor. The Board considers that having a strategic investor that shares the same view with the Directors and the Company's projects to be a distinct advantage from merely identifying an investor for the Company;

- (iii) as a newly listed company on the GEM, the Board considers CMI Hong Kong's willingness to invest in the Company as a positive indication of support to the Company's business and projects; and
- (iv) the Board has also taken into account the following financial positions of the Company:
  - (a) the Group recorded loss attributable to owners to the Company for the six-month period ended 30 June 2015 which was primarily attributable to the effects of the renovation of Link Hotel;
  - (b) as at 30 June 2015, the Group had a net current liabilities of approximately HK\$13.6 million;
  - (c) as at 30 June 2015, the Group had bank borrowings of HK\$211.3 million and gearing ratio (calculated by dividing borrowings by equity attributable to owners of the Company) was approximately 1.02;
  - (d) the Subscription Price, which is equivalent to the initial Conversion Price, represents a premium of approximately 328.6% over the unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK\$0.077 (based on the latest unaudited net asset value attributable to owners of the Company of approximately HK\$215.3 million as at 30 June 2015 and the number of Shares in issue of 2,800,000,000 Shares as at the date of the announcement of the Company dated 17 September 2015); and
  - (e) the Subscription will enhance the financial position of the Company, the investment capital and net assets value of the Group.

Having taken into account the above factors, the Directors are of the view that the Subscription Price, which is equivalent to the initial Conversion Price, is considered to be reasonable commercial terms following arm's length negotiations among the parties.

Further, the Directors consider that the Subscription shall (i) broaden the shareholder base of the Company; (ii) provide significant funding to the Company for the development of the Bintan Project; (iii) improve the financial position and liquidity of the Group during the current volatile and uncertain market condition; and (iv) enhance the Company's business network for its future fund raising and business development. The Directors are also of the view that having CMI Hong Kong, a financially strong and well-experienced investor as the Group's strategic investor, will not only provide additional funding to the Company and improve its financial position but will also strengthen the Group's overall investment capability and network which will be beneficial to the Company and the Shareholders as a whole in long term.

In light of the above, the Directors consider the terms of the Subscription Agreement (including but not limited to discount) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Potential effects on the shareholding structure of the Company**

The Subscription Shares represent (i) approximately 24.64% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 19.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 19.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price.

The Conversion Shares represent (i) approximately 2.74% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 2.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price; and (iii) 2.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Subscription but before conversion of Convertible Bonds; and (iii) immediately after the completion of the Subscription and full conversion of Convertible Bonds at the initial Conversion Price, assuming there is no change in the existing shareholding of the Company:

	As at the date of this announcement		Immediately after the completion of the Subscription but before the conversion of Convertible Bonds (for illustration purpose only)		Immediately after the completion of the Subscription and full conversion of the Convertible Bonds at the initial Conversion Price (for illustration purpose only)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Vertic ( <i>Note 1</i> )	2,100,000,000	75.00	1,927,000,000	55.21 ( <i>Note 2</i> )	1,927,000,000	54.03
CMI Hong Kong	-	-	690,000,000	19.77	766,600,000	21.49 ( <i>note 3</i> )
Public Shareholders	<u>700,000,000</u>	<u>25.00</u>	<u>873,000,000</u>	<u>25.02</u>	<u>873,000,000</u>	<u>24.48</u>
Total	<u><u>2,800,000,000</u></u>	<u><u>100.00</u></u>	<u><u>3,490,000,000</u></u>	<u><u>100.00</u></u>	<u><u>3,566,600,000</u></u>	<u><u>100.00</u></u>

*Notes:*

1. *Vertic is beneficially owned as to 50% by Mr. Ngan Iek, being an executive Director, 25% by Ms. Ngan Iek Chan and 25% by Ms. Ngan Iek Peng. Mr. Ngan Iek is the elder brother of Ms. Ngan Iek Chan and Ms. Ngan Iek Peng.*
2. *The Company will procure Vertic to place down not less than 173,000,000 Shares held by it before completion of the Subscription in order to increase the number of Shares held by public Shareholders and maintain the public float of the Company. The conversion of the Convertible Bonds shall be subject to compliance with the public float requirements under the GEM Listing Rules and the shareholding table shown above is for illustration purpose only.*
3. *Pursuant to the terms of the Convertible Bonds, the holder of the Convertible Bonds shall not exercise the conversion right attached to the Convertible Bonds if the issue of Conversion Shares will result in insufficient public float.*

## **Specific mandate**

The Subscription Shares and the Conversion Shares upon conversion of the Convertible Bonds will be allotted and issued under a specific mandate to be sought for approval from the Shareholders at the EGM.

## **Board composition**

Subject to the articles of association of the Company and the GEM Listing Rules, CMI Hong Kong shall be entitled to nominate, and the Board shall appoint, two non-executive directors to the Board at Completion, who shall remain in office as long as CMI Hong Kong (assuming that all of the Convertible Bonds have been fully converted) holds more than 5% of the entire issued share capital of the Company. In the event that the Shares held by CMI Hong Kong in the Company is reduced to 5% (assuming that all of the Convertible Bonds have been fully converted), CMI Hong Kong shall procure one of the non-executive directors nominated by it to resign. If CMI Hong Kong ceases to hold any Shares (assuming that all of the Convertible Bonds have been fully converted), CMI Hong Kong shall procure all of the non-executive directors nominated by it to resign.

CMI Hong Kong shall also nominate a person to be appointed as an additional independent non-executive director of the Company at Completion. Such nomination and appointment shall also be subject to the articles of association of the Company and the GEM Listing Rules.

In respect of such nomination rights granted to CMI Hong Kong, Article 58 of the Company's articles of association provides that any one or more shareholder(s) holding not less than one-tenth of the paid up capital of the Company shall have the right to require an extraordinary general meeting to be called by the Board for the transaction of any business specified, including but not limited to nomination and removal of a director. Thus, the rights to nominate a director by requesting for an extraordinary general meeting is available to all shareholders provided that he/she/it holds or together with other shareholders hold not less than one-tenth of the entire issued share capital of the Company.

The Company granted the nomination rights on the basis that CMI Hong Kong will have a shareholding interest in the Company exceeding 10% after Completion, and therefore will be entitled to request for an extraordinary general meeting to be called for the purpose of nominating a director to the Board in accordance with the Company's articles of association as aforesaid.

Based on the above, the Directors are of the view that the granting of the nomination rights to CMI Hong Kong does not violate the relevant provision under the Company's articles of association.

In respect of the mechanism of appointment of the two non-executive directors and the independent non-executive director, the Company will follow the usual mechanism for the appointment of directors whereby the nomination and corporate governance committee shall review the profile, including the background, experience and integrity, of the proposed candidates nominated by CMI Hong Kong and make recommendations to the Board for further approval. If the proposed candidate does not meet the requirements of being a director of the Company, the Board has the right to reject such proposed candidate.

In addition, for the appointment of the independent non-executive director, the nomination and corporate governance committee shall also assess the independence of such proposed candidate to ensure compliance with Rule 5.09 of the GEM Listing Rules. As such, appointment of the directors nominated by CMI Hong Kong shall be subject to the recommendations of the nomination and corporate governance committee and the approval of the Board. In any event, all proposed directors who are appointed shall retire in the next general meeting and subject to Shareholders' approval for re-election in accordance with the Company's articles of associations.

When considering whether the nomination rights to be granted to CMI Hong Kong is in the interest of the Company, and is on normal commercial terms, the Directors have considered the potential benefits from the background of CMI Hong Kong as disclosed in the paragraph headed "Information of CMI Hong Kong" below. CMI Hong Kong is indirectly wholly-owned by China Minsheng Investment, a large private investment company in the PRC. The Board believes that, through the appointment of directors to be nominated by CMI Hong Kong which is perceived as a strategic investor of the Company, the Company will be able to leverage on CMI Hong Kong's extensive network, strong financial and business background and exposure, which will broaden the Company's business network for its future fund raising and business development.

In view of the above, the Board considered that the grant of the nomination rights is in the interest of the Company and its Shareholders as a whole and is on normal commercial terms.

### **Pre-emptive rights**

The Company agreed that in the event that the Company proposes to issue any Shares after Completion, CMI Hong Kong shall be entitled to pre-emptive rights to subscribe for such number of Shares at the then proposed issue price, in order to retain the shareholding percentage of CMI Hong Kong as at Completion.

Under such pre-emptive rights granted to CMI Hong Kong, the Company has to go through the motion of offering to CMI Hong Kong to subscribe at the same issue price for further Shares in the event that the Company issues further Shares after Completion such that the percentage of shareholding interest held by CMI Hong Kong in the Company (if it elects to accept the offer) will remain the same.

The Company considers that such pre-emptive right granted to CMI Hong Kong is neither a preferential nor an absolute right for CMI Hong Kong to acquire Shares. If CMI Hong Kong elects to acquire additional Shares pursuant to the procedures described above, given that CMI Hong Kong would become a connected person after Completion, the Company would be required to comply with the relevant connected transaction requirements under Chapter 20 of the GEM Listing Rules prior to any issue of Shares to CMI Hong Kong after Completion. In the event that CMI Hong Kong holds less than 10% of the then entire issued share capital of the Company, any subsequent subscription by CMI Hong Kong pursuant to the pre-emptive right under the Subscription Agreement will be subject to Independent Shareholders' approval unless such approval is not required or is otherwise waived by the Stock Exchange.

The Independent Shareholders would therefore have a veto right over the issue of any further Shares to CMI Hong Kong. Accordingly, the pre-emptive right only requires the Company to go through the above motion and the decision as to whether Shares will be ultimately sold to CMI Hong Kong will rest with the Independent Shareholders.

In light of the above reasons, the Company considers that the granting of pre-emptive rights to CMI Hong Kong would not contravene the requirement to treat all shareholders fairly and equally under Rule 2.06(4) of the GEM Listing Rules.

Given CMI Hong Kong's position as a strategic investor of the Company as mentioned above, the Board considers that it is in the interest of the Company and the Shareholders to enable CMI Hong Kong maintain its shareholding in the Company, so as to keep CMI Hong Kong financially committed in bringing its benefit as a strategic investor to the Company. The Company may also benefit from additional proceeds being raised in the event that CMI Hong Kong elects to acquire additional Shares after the offer made by the Company. The Directors therefore consider that GEM Rule 2.06(4) is complied with.

If such pre-emptive rights are exercised, the Board will ensure the Company to comply with the relevant connected transaction requirements under Chapter 20 of the GEM Listing Rules, including Independent Shareholders' approval.

In view of the above, the Board considered that the grant of the pre-emptive rights is in the interest of the Company and its Shareholders as a whole and is on normal commercial terms.

### **Conditions precedent**

Completion of the Subscription is conditional upon, inter alia:

- (i) CMI Hong Kong having satisfied in its absolute discretion with the results of the due diligence review to be conducted on the Company and the Bintan Project including but not limited to financial, business and legal due diligence;
- (ii) Vertic having disposed of not less than 173,000,000 Shares so that the Company would not be in breach of the public float requirements under the GEM Listing Rules immediately after Completion, provided that the shareholding of Vertic shall not be less than 50% of the entire issued share capital of the Company after such disposal of Shares and immediately before Completion;
- (iii) the Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in, the Subscription Shares and Conversion Shares;
- (iv) the passing of resolutions by the Independent Shareholders at the EGM approving the Subscription Agreement and transactions contemplated thereunder, including but not limited to the specific mandate for the allotment and issue of the Subscription Shares and the issue of Conversion Shares;
- (v) the representations and warranties of the Company under the Subscription Agreement being true, accurate and correct in all respects and not misleading in any respect at Completion and the Company having performed all of its obligations and undertakings under the Subscription Agreement to be performed on or before Completion;
- (vi) no change (nor any development or event involving a prospective change), which is materially adverse to the condition (financial or other), prospects, results of operations or general affairs of any members of the Group or the value or market price of the Shares up to Completion having been occurred;

- (vii) none of the Company or any member of the Group being in breach of or in default (nor having any event occurred which, with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement, would result in a default by the Company or any other member of the Group) under the terms of the DBS Facility Documents, the STB Lease Agreement, any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or to which their respective assets are bound at Completion;
- (viii) no order, judgment, restrictions or decisions having been made, promulgated or adopted by judicial or governmental authority or regulatory authority to restrict or prohibit the transactions contemplated under the Subscription Agreement;
- (ix) no proceedings having been initiated or threatened by third parties with any judicial or governmental authority in any jurisdiction to restrict or prohibit the transactions under the Subscription Agreement, declare the transaction contemplated therein illegal or seek for a remedy of a material nature;
- (x) there having been delivered to CMI Hong Kong copies of all consents and approvals required on the part of the Company in relation to the issue of the Subscription Shares and the Convertible Bonds and the performance of their obligations under the Convertible Bonds and all the transactions contemplated under the Subscription Agreement, in each case in form and substance reasonably satisfactory to CMI Hong Kong (including, without limitation, approval by the Board, the Shareholders and any relevant governmental or regulatory authorities);
- (xi) there having been delivered to CMI Hong Kong opinions, in form and substance reasonably satisfactory to CMI Hong Kong, dated the date of Completion of, Hong Kong and Cayman Islands legal counsel of the Company, to be agreed by the parties as to the law of Hong Kong and Cayman Islands, respectively;
- (xii) a Director having delivered a written confirmation on or before Completion in respect of the fulfillment of conditions (v), (vi) and (vii) above;
- (xiii) there having been delivered to CMI Hong Kong certified copies of share certificates and statutory registers required to be kept in accordance with the Indonesia Company Law in respect of PT. Hang Huo Investment and PT. Hang Huo International, including without limitation (i) the registers of shareholders and (ii) special registers containing information regarding (a) shares held by members of the board of directors and board of commissioners and their families (i.e. spouses and children) in the company or other companies, and (b) acquiring date of such shares; and
- (xiv) there having been delivered to CMI Hong Kong, in respect of any entity holding regulatory licence(s) in the Group, copies of all necessary consents and approvals from competent regulatory bodies and other governmental agencies for the transactions contemplated under the Subscription Agreement on or prior to Completion.

The Company shall use its best endeavours to ensure the fulfilment of conditions (ii) to (xiv) above as soon as reasonably practicable and in any event no later than 30 November 2015. CMI Hong Kong may, at its sole discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions precedent (other than conditions (iii) and (iv) which are not waivable).

## **Undertaking and indemnity given by the Company**

Pursuant to the Subscription Agreement, the Company undertakes to CMI Hong Kong that for a period commencing from the date of the Subscription Agreement and ending six (6) months after Completion, the Company will not, without the prior written consent of CMI Hong Kong,

- (a) allot or issue or offer to allot or issue or grant any option (including for the avoidance of doubt options to be granted on or after the date of the Subscription Agreement pursuant to the terms of any employee share option scheme of the Company, if any), right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; and
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above,

except for any Shares which may be issued pursuant to the Subscription, and save pursuant to:

- (i) the exercise of such options already granted prior to the date of the Subscription Agreement pursuant to the terms of any employee share option scheme of the Company (if any);
- (ii) any outstanding subscription warrants (if any);
- (iii) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Company's articles of association;
- (iv) the issue of any Shares or convertible bonds for the sole purpose of satisfying the consideration payable by the Company for acquisition of assets or equity interests; or
- (v) conversion of outstanding convertible bonds (if any).

Pursuant to the Subscription Agreement, the Company undertakes to CMI Hong Kong that if CMI Hong Kong or any of its Related Parties incurs any Loss, other than any Loss suffered by the Related Parties of CMI Hong Kong in connection with activities unrelated to the transactions contemplated under the Subscription Agreement, arising out of, in connection with or based on:

- (i) any inaccuracy of any representation and warranty by the Company in Subscription Agreement (on the date of Subscription Agreement or on any date when it is deemed to be repeated);
- (ii) any breach by the Company of any of its representations, warranties, undertakings in or agreements contained in, or deemed to be made pursuant to, Subscription Agreement;
- (iii) the issue and publication of any documentation, relating to the issue of the Subscription Shares, the Conversion Shares (if any) or the Bonds, that contains material omission or is inaccurate;

- (iv) the failure by the Company or any member of the Group or any of their respective directors or officers to comply with any requirements of statute or regulation in relation to the issuance of the Subscription Shares, the Conversion Shares (if any) or the Bonds;
- (v) any breach of any terms or provisions of the Agreement and instruments by any members of the Company as a result of the execution, delivery and/or performance of this Agreement, the issue of the Convertible Bonds, the issue, offer and delivery of the Subscription Shares and the Conversion Shares on conversion of the Convertible Bonds, the carrying out of the other transactions contemplated under this Agreement and the Convertible Bonds and compliance with their terms; or
- (vi) the lack of clean title to all of the Bintan Land and/or any failure by the Company or any member of the Group to obtain all approvals required in accordance with all applicable laws for the development of the Bintan Project on the Bintan Land in such a manner as described in the prospectus of the Company dated 30 June 2014 and any formal announcements issued by the Company on or before the date of Subscription Agreement,

the Company shall pay to CMI Hong Kong on demand an amount equal to such loss on an after tax basis.

Without prejudice to the above indemnity, the Company shall not be liable to indemnify CMI Hong Kong or any of its Related Parties in respect of any Loss to CMI Hong Kong or any of its Related Parties to the extent that the matter giving rise to the Loss would not have arisen but for the passing of, or a change in, a law, rule, regulation, interpretation of the law or administrative practice of a government, governmental department, agency or regulatory body after Completion.

#### *Undertaking pending completion*

Pending Completion the Company shall procure that, without the prior written consent of CMI Hong Kong, no member of the Group shall:

1. create, allot or issue any shares or agree, arrange or undertake to do any of those things;
2. give or agree to give any option, right to acquire or call (whether by conversion, subscription or otherwise) in respect of any of its share or loan capital;
3. acquire or agree to acquire an interest in a corporate body or merge or consolidate with a corporate body or any other person, enter into any demerger transaction or participate in any other type of corporate reconstruction;
4. acquire or agree to acquire any material assets, businesses or undertakings of any member of the Group involving a consideration of or having a book or market value in excess of HK\$20,000,000;
5. dispose or agree to dispose of any material assets, businesses or undertakings of any member of the Group involving a consideration of or having a book or market value in excess of HK\$10,000,000;
6. pass any resolution by its members in general meeting or make any alteration to its articles of association;
7. declare, make or pay any dividend or other distribution;

8. create, grant or allow to subsist any encumbrance or other agreement or arrangement which has the same or similar effect to the granting of security in respect of all or any part of the undertaking, property or assets of any member of the Group;
9. create any borrowings or other indebtedness or obligation in the nature of borrowings (including obligations pursuant to any debenture, bond, note, loan stock or other security and obligations pursuant to finance leases), where such borrowing would result in aggregate borrowings by the Group being in excess of HK\$20,000,000;
10. make, or agree to make, capital commitments or expenditure exceeding HK\$10,000,000;
11. enter into, amend the terms of, or terminate any partnership, joint venture or other profit sharing agreement, provided that a counterparty's termination of such an agreement shall not be a breach of this undertaking;
12. make any material change to the management and organisation of the Group or member of the Group or the manner in which they carry on the business;
13. modify or terminate any rights under any of its contracts which are material to the businesses of the Group or any member of the Group;
14. initiate, settle or abandon any claim, litigation, arbitration or other proceedings or make any admission of liability by or on behalf of any member of the Group except, in any case, in relation to debt collection in the ordinary course of the business of sums not exceeding HK\$10,000,000 for any single claim or as otherwise instructed by CMI Hong Kong in writing;
15. enter into any transaction with any person otherwise than at arms' length and for full value;
16. enter into any connected transaction which requires the approval of independent shareholders;
17. make any proposal for the winding up or liquidation of any member of the Group;
18. change its auditors or make any change to its accounting practices or policies, except where such change is recommended by its auditors as a consequence of a change in generally accepted accounting practices or policies applicable to companies carrying on businesses of a similar nature, or as a consequence of a change in law;
19. redeem or purchase any shares or reduce its issued share capital, or any uncalled or unpaid liability in respect thereof, or any capital redemption reserve, share premium account or other reserve that is not freely distributable; or
20. agree, undertake or otherwise give any binding undertaking to do any of the same.

### **Use of Proceeds**

The aggregate gross proceeds from the Subscription are expected to be approximately HK\$253.0 million and the aggregate net proceeds from the Subscription, after the deduction of the professional and other related expenses, are estimated to be approximately HK\$250.2 million, representing a net issue price of approximately HK\$0.326 per Share issued under the Subscription (including both Subscription Share and Conversion Share). Provided that no Proceeds shall be used in relation to any connected transaction, the Company and CMI Hong Kong agreed to use the Proceeds from the Subscription for:

- (i) the Company's development of the Bintan Project and the Company's acquisitions with the prior written consent of CMI Hong Kong;

- (ii) the payment of fees and expenses incurred by CMI Hong Kong in connection with the conduct of legal and financial due diligence, including the fees payable to professional advisers for the conduct of such due diligence, and the fees of CMI Hong Kong's financial adviser engaged in connection with the Subscription;
- (iii) during such time when CMI Hong Kong is a holder of the Convertible Bonds, such reasonable fees and expenses properly incurred by CMI Hong Kong after Completion in connection with CMI Hong Kong's on-going monitoring of the Company's activities including without limitation travelling expenses for site visits in relation to the Bintan Project, meetings of the Company attended by directors or other persons nominated by CMI Hong Kong and inspection of the Company's books and records; and
- (iv) the costs in connection with the preparation by CMI Hong Kong's lawyers of the letter of intent dated 15 September 2015 and the Subscription Agreement(s) and CMI Hong Kong's lawyers' fees incurred in connection with the Subscription.

The Proceeds must be deposited into and kept in a bank account in the name of the Company segregated from other funds of the Company, and CMI Hong Kong shall be entitled to nominate from time to time and have appointed signatories to such bank account with such mandate to the reasonable satisfaction of CMI Hong Kong, provided always such mandate shall provide that no funds may be withdrawn from such bank account without the authorisation from such signatories nominated by CMI Hong Kong.

During such time when CMI Hong Kong is a holder of the Convertible Bonds, the Company shall provide CMI Hong Kong with a monthly budget in respect of the Bintan Project at least seven days prior to the end of each calendar month after Completion. Such budget shall set out in detail reasonably acceptable to CMI Hong Kong, in respect of the Bintan Project, the proposed works and undertakings to be carried out by the Group and the amount of all anticipated capital and operating expenditures in relation to the Bintan Project.

During such time when CMI Hong Kong is a holder of the Convertible Bonds, CMI Hong Kong shall be entitled to inspect the monthly accounts and reports in relation to the use of the Proceeds from time to time upon reasonable notice to the Company.

The information rights, including the right for CMI Hong Kong to inspect the monthly accounts and reports in relation to the use of the Proceeds, have been granted to CMI Hong Kong in its capacity as creditor in order to enable it to monitor the use of the Proceeds. For the avoidance of doubt, the Company's obligation to provide such information shall cease when CMI Hong Kong is no longer the holder of the Convertible Bonds.

As a creditor of the Company, through the subscription of the Convertible Bonds, CMI Hong Kong will be able to obtain the Company's monthly accounts, expenses reports and budget for the next month, only in respect of the Bintan Project, in relation to the use of Proceeds under the Subscription.

The Board considered that such information rights are not given to CMI Hong Kong as a shareholder of the Company, but as a creditor. In addition, the Board considered that the Company's monthly expenses reports and budget for the next month is not price sensitive in nature, and will not constitute sharing of inside information to CMI Hong Kong which is not otherwise made available to the public. In any event, the disclosure of information to CMI Hong Kong under such information rights will be subject to restrictions under the GEM Listing Rules such as the inside information provisions.

Further, if CMI Hong Kong did not proceed with the Subscription, the Company would not be able to obtain financing at such low cost to develop the Bintan Project. The Directors therefore consider that the granting of the information rights to CMI Hong Kong is in the interest of the Company and the Shareholders.

## **INFORMATION OF CMI HONG KONG**

CMI Hong Kong is indirectly wholly-owned by China Minsheng Investment and is managed by CMI Capital, the financial division of China Minsheng Investment.

China Minsheng Investment is a large private investment company organised by The All-China Federation of Industry and Commerce in China and was launched by 59 well-known private enterprises throughout China. The shareholders of China Minsheng Investment are all large scale private enterprises, some of which are among China's top 500 companies. The business scope of the shareholders of China Minsheng Investment involves a variety of industries such as machinery manufacturing, metallurgy, information technology, asset management, garment, biological pharmacy, environmental protection, new energy, culture and media, commerce and trade, electric power, home appliances stores, e-commerce, real estate and so forth. As at the date of this announcement, no single shareholder of China Minsheng Investment holds more than 4% of the voting rights or equity contributed in China Minsheng Investment.

China Minsheng Investment was established and registered in Shanghai in May 2014, with a registered capital of RMB50 billion. It is a conglomerate with a wide variety of businesses including equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management, and investment consulting. China Minsheng Investment's strategy is to fully utilise its competitive strengths in terms of national brand, integration of resources, financial strength, comprehensive operations, management output and other competitive advantages in the implementation of its strategic integration in key target industries, with the objective to create a strategic and sustainable business model. China Minsheng Investment will, through capital investment and leverage, and featured by business consolidation and the full range of financial licenses, apply its resources and efforts in developing distinctive business portfolios and key segments. In terms of the specific implementation path, China Minsheng Investment, relying on industrial integration, industrial strategic investment, mixed investment, establishment of full financial licenses platform and exploration of overseas investment market, will actively carry out the relevant business activities.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Company is an investment holding company and the Group is principally engaged in the operations of the Link Hotel in Singapore.

As disclosed in the Previous Announcements, the Company has engaged an architectural firm to devise the master plan for the Bintan Land which was sub-divided into three portions for development purpose, and the first phase development will comprise three stages. As at the date of this announcement, the local architectural firm has been working closely with the project consultant of the Group to prepare and finalise the plan for the submission to the government for approval. As such, the development plan is still in the process of being finalised and will be subject to the Board's final approval.

Pursuant to the latest draft of the development plan, the first phase of the Bintan Project will comprise the construction of different types of leisure and entertainment complex, including, a beachfront resort, resort hotel, villa, retail village, culture stage and service apartments. Currently, the Company is concentrating first on the re-development of the “Bintan Cabana Beach Resort” into a beachfront resort. The estimated cost for the construction work of beachfront resort, as disclosed in the Previous Announcements, is approximately HK\$66.7 million.

Based on the latest draft of the development plan, the project consultant engaged by the Group estimated that the construction cost for the first phase of the Bintan Project, which comprises the construction cost for the beachfront resort, will be approximately HK\$470 million, of which HK\$51.3 million will be financed by the proceeds received from the Placing. As such, it is agreed by the Board and CMI Hong Kong that the proceeds to be raised from the Subscription shall be applied towards part of the construction cost of the first phase of the Bintan Project.

The Board considers that equity financing by way of the Subscription is an appropriate mean of raising additional capital as (i) it is more practicable and direct under the current volatile market and the uncertain global market conditions; and (ii) it is less costly and minimal financial burden is imposed given that the interest payable to CMI Hong Kong under the Convertible Bonds is at the relatively low interest rate of 0.01% per annum on the outstanding principal, compared to financing by borrowing from banks. In addition, should the Subscription crystallise, the Group could enhance its overall financial position. The Board is also of the view that leveraging on the introduction of CMI Hong Kong, which the Board considers a financially strong and well-experienced investor as the Group’s strategic investor, will also strengthen the Group’s overall investment capability and network.

The Directors, including the independent non-executive Directors, consider that the Subscription Agreement is entered into upon normal commercial terms following arm’s length negotiations among the parties and that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **GENERAL**

The EGM will be held to consider and, if thought fit, pass the requisite ordinary resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the specific mandate for the allotment and issue of the Subscription Shares and the Conversion Shares upon conversion of the Convertible Bonds. CMI Hong Kong and its associates do not currently hold any Shares and will not vote on any of the resolutions.

**Completion of the Subscription is conditional upon, among other things, the listing of and permission to deal in the Subscription Shares and Conversion Shares being granted by the GEM Listing Committee of the Stock Exchange. As such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Bintan Land”	62 parcels of land in a total area of approximately 425,497 square meter situated at Malang Rapat, Gunung Kijang, Bintan, Riau Island, Indonesia, which were acquired by the 80%-owned subsidiary of the Group
“Bintan Project”	the Company’s development of property and hotel in Bintan Island, Indonesia
“Board”	the board of Directors
“China Minsheng Investment”	China Minsheng Investment Corporation Limited <sup>#</sup> (中國民生投資股份有限公司), a joint stock limited company incorporated in the PRC with limited liability which indirectly wholly owns CMI Hong Kong
“CMI Capital”	CMI Capital Company Limited <sup>#</sup> (中民投資本管理有限公司), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of China Minsheng Investment
“CMI Hong Kong”	CMI Financial Holding Company Limited, a company incorporated in Hong Kong with limited liability and is an indirectly wholly-owned subsidiary of China Minsheng Investment
“Company”	Link Holdings Limited (stock code: 8237), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to that term under the GEM Listing Rules
“connected transaction”	has the meaning ascribed to that term under the GEM Listing Rules
“Controlling Shareholders”	Vertic and its beneficial shareholders, namely Mr. Ngan Iek, Ms. Ngan Iek Chan, Ms. Ngan Iek Peng
“Conversion Price”	HK\$0.33 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Subscription Agreement and the Convertible Bonds

“Conversion Shares”	the Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds which may be issued by the Company to CMI Hong Kong pursuant to the Subscription Agreement
“DBS Facility Documents”	the facility letter between DBS Bank Ltd and Hang Huo Investment Pte. Ltd., a wholly-owned subsidiary of the Company, dated 19 May 2015 together with any terms and conditions, amendments, supplemental agreements and security documents (if any) relating thereto from time to time
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held and convened for the purpose of considering and if thought fit, approve (i) the Subscription Agreement and the transactions contemplated hereunder; and (ii) the specific mandate for the allotment and issue of the Subscription Shares and the Conversion Shares upon conversion of the Convertible Bonds
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	Shareholder(s) other than CMI Hong Kong and its associates who is/are not required to abstain from voting at the extraordinary general meeting of the Company to approve (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the specific mandate for the allotment and issue of the Subscription shares and the Conversion Shares upon conversion of the Convertible Bonds; and (iii) the subsequent subscription by CMI Hong Kong pursuant to the pre-emptive right under the Subscription Agreement unless such approval is not required or is otherwise waived by the Stock Exchange
“Independent Third Party”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or subsidiaries of the Company or any of their respective associates
“Link Hotel”	Link Hotel located at 50 and 51 Tiong Bahru Road, Singapore, 168733 & 168734, which is owned and operated by the Group

“Loss”	any liability, damages, cost, claim, loss or expense (including without limitation, legal fees, costs and expenses and any value added tax thereon)
“Major Subsidiary(ies)”	any subsidiary(ies) of the Company from time to time representing 10% or more of the consolidated net assets or pre-tax profits of the Group and shall with effect from the date of the issue of the Convertible Bonds include Hang Huo Investment Pte. Ltd., Link Hotels International Pte. Ltd. and PT. Hang Huo Investment
“Maturity Date”	the date falling on the 5th anniversary of the date of issue of the Convertible Bonds
“Placing”	the placing of Shares pursuant to the terms and conditions set out in the underwriting agreement dated 27 June 2014
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Announcements”	the announcements of the Company dated 16 June 2015 and 30 June 2015 respectively, in relation to the reallocation and change in use of proceeds received from the Placing
“Proceeds”	the proceeds from the Subscription
“Related Party(ies)”	any person, any affiliate of that person or any officer, director or employee of that person or any such affiliate or any person by whom any of them is controlled
“Share(s)”	existing ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“STB Lease Agreement”	the agreement for lease entered into between Singapore Tourism Board and Hang Huo Investment Pte. Ltd., a wholly-owned subsidiary of the Company, dated 14 September 2005, pursuant to which Hang Huo Investment Pte. Ltd. was granted a lease in relation to the land located at 50 and 51 Tiong Bahru Road, Singapore, 168733 & 168734 for the term of 100 years from 1 January 1967 less one day, together with any terms and conditions, amendments and supplemental agreements relating thereto from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription for the Subscription Shares and the Convertible Bonds by CMI Hong Kong pursuant to the terms of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 8 October 2015 entered into between the Company and CMI Hong Kong in relation to the Subscription
“Subscription Shares”	690,000,000 new Shares which may be allotted and issued to CMI Hong Kong pursuant to the Subscription Agreement
“Vertic”	Vertic Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being a Controlling Shareholder (as defined under the GEM Listing Rules)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board  
**LINK HOLDINGS LIMITED**  
**Ngan Iek**  
*Chairman and non-executive Director*

Hong Kong, 8 October 2015

\* *For identification purpose only*

# *In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*

*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 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*