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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)

MAJOR TRANSACTION: ACQUISITION OF 42.3% EQUITY INTEREST OF ZHUHAI KANG MING DE INVESTMENT LIMITED*

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that after trading hours on 1 February 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Interests, representing 42.3% of the equity interest of the Target. The Consideration for the Acquisition is RMB21,150,000, which shall be payable in cash.

INFORMATION ON THE TARGET

The Target is established on 28 December 2000 in the PRC with limited liability with an existing paid-up capital of RMB6 million. It is principally engaged in the business of providing management consultation services and property investment for rental income. Its principal assets are 94.6% equity interest in Guangxi Detian, which holds 100% of Daxin Minsu, Nanning Mingshi, Detian Travel and Guangxi Zhenniu, 92.8% of the equity interest of Daxin Mingshi and 20% of the equity interest of Guangxi Yaotung as at Completion.

Guangxi Detian and Daxin Mingshi are principally engaged in the business of providing tourism services and operation of hotels and accommodation. Daxin Minsu is principally engaged in the business of operation of hotels and accommodation. Nanning Mingshi and Detian Travel are principally engaged in the business of providing tourism services. Guangxi Zhenniu is principally engaged in the business of providing electronic tourism business and Guangxi Yaotung is principally engaged in the business of investment and providing tourism services.

IMPLICATION UNDER THE GEM LISTING RULES

As certain applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceed 25% but all applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and will be subject to the applicable announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Equity Transfer Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 1 March 2016.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and his associates hold an aggregate of 115,872,000 Shares, representing approximately 3.32% of the issued share capital of the Company as at the date of this announcement. As the Vendor has a material interest in the Acquisition, he and his associates will abstain from voting on the relevant resolution in respect of the Equity Transfer Agreement and the transactions contemplated thereunder to be proposed at the EGM. Save as disclosed, no Shareholder will be required to abstain from voting on the resolution to be proposed at the EGM.

Shareholders and potential investors of the Company should be aware that the completion of the Equity Transfer Agreement is subject to the satisfaction (or, if applicable, waiver) of certain conditions and consequently the Equity Transfer Agreement may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

BACKGROUND

Reference is made to the MOU Announcement in relation to the MOU entered into between the Company and the Vendor, and the Extension Announcements in relation to the extensions of the exclusivity period under the MOU.

After trading hours on 1 February 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Interests, representing 42.3% of the equity interest in the Target, at the Consideration of RMB21,150,000.

THE EQUITY TRANSFER AGREEMENT

Set out below are the major terms of the Equity Transfer Agreement.

Date: 1 February 2016

Parties: Vendor: Bi Jingjun
Purchaser: Star Adventure Investment Limited

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

The Sale Interests represent 42.3% of the equity interest in the Target beneficially owned by the Vendor as at the date of the Equity Transfer Agreement and up to Completion, which shall be transferred from the Vendor to the Purchaser free from all encumbrances, together with all undistributed dividends of the Target accumulated since its date of establishment up to the Completion Date together with all rights to dividends which may be made in respect of the Target Group Companies on or after the Completion Date.

Consideration

The Consideration is RMB21,150,000, which shall be payable in cash within 5 days after Completion Date and in any event no later than 90 days after the Effective Date by the Purchaser by transferring the amount payable to a PRC bank account designated by the Vendor. The payment of the Consideration shall be satisfied by the internal resources of the Group.

Basis of determination of the Consideration

The Consideration for the Equity Transfer Agreement has been arrived at after arm's length negotiation between the parties to the Equity Transfer Agreement and was determined based on (i) goodwill of the scenery at the locations of the resorts and tourism attractions owned or operated by the Target Group Companies; (ii) the potential earnings prospects of the Target Group Companies, and (iii) net asset value of approximately RMB49 million shown on the Target's management account made up to 30 September 2015.

Conditions precedent

Completion is subject to the satisfaction or waiver by the Purchaser (as the case may be) of, among other things, the following Conditions:

- (1) every core senior management having entered into legal and valid service contracts with the Target, Daxin Mingshi, Daxin Minsu and Guangxi Detian;
- (2) the Reorganisation having been approved by and registered with the relevant administration for industry and commerce authority of the PRC, the relevant equity transfer consideration and taxation having been settled in full and the shareholding structure of the Target Group Companies resulting from the Reorganisation having been maintained;
- (3) each Target Group Company and its branch business(es) having obtained all necessary licences and certification in respect of their business activities pursuant to the applicable laws and regulations;
- (4) save for the shareholder's loan owing by the Target to the Vendor in the sum of RMB24,694,880, each Target Group Company having fully repaid all sums owing to its shareholders (and their respective associates); all the agreements and documentations in relation thereto having been terminated; and save for the said shareholder's loan, each Target Group Company not owing any liabilities or obligations pending to be performed for its shareholders (and their respective associates);
- (5) approval from the Shareholders of the Acquisition and all transactions contemplated under the Equity Transfer Agreement having been obtained according to the GEM Listing Rules;
- (6) the Purchaser (or its nominee, if applicable) having obtained all other necessary consents, approvals, waivers and authorisation for the Acquisition and the execution and performance of the Equity Transfer Agreement;
- (7) the sale and purchase of the Sale Interests having been approved by the relevant foreign investment approving authority of the PRC and having completed all registration of change at the relevant administration for industry and commerce authority and the Purchaser (or its nominee) having been duly registered as the owner of 42.3% equity interests in the Target and the Target having obtained the new business licence as a sino-foreign equity joint venture;

- (8) the Vendor, each of the Target Group Companies and all relevant persons (if applicable) having obtained all the consents, approvals, waivers and authorisation for the Acquisition and the execution and performance of the Equity Transfer Agreement;
- (9) the Purchaser having completed its due diligence on the business, assets, liabilities, activities, operations, prospects and other matters (including without limitation legal, accounting, financials, business(es), operations and other aspects) which in the opinion of the Purchaser, its agents or professional consultants consider reasonably necessary and applicable and being satisfied with the result of the due diligence;
- (10) the Purchaser having obtained a PRC legal opinion from its PRC legal advisers, in the form acceptable to and substance satisfactory to the Purchaser, confirming (including without limitation): (i) the establishment, subsistence and licences of each Target Group Company being in compliance with applicable laws, regulations, institutions and other applicable rules; (ii) property interests of the Target Group Companies; (iii) the Vendor and the Target Group Companies having obtained all necessary approvals from and/or attended and completed the registration and filing at the PRC government authorities in respect of the execution, performance and enforcement (including but not limited to the Reorganisation) of the Equity Transfer Agreement, which shall all be legal and valid; (iv) the Reorganisation having been duly completed and all necessary procedures for approval, registration and filing having been completed and (v) all other matters which the Purchaser considers are necessary;
- (11) the representations and warranties given by the Vendor in the Equity Transfer Agreement being true, accurate and not misleading in all respects; there being no occurrence of events which result in the breach of any warranties or other provisions in the Equity Transfer Agreement by the Vendor; and
- (12) there being no Material Adverse Effect (or Change) since the date of the Equity Transfer Agreement up to and on Completion Date.

Long Stop Date

The Vendor shall use his best endeavours to procure the fulfillment of Conditions (1), (2), (3), (4), (7), (8), (11) and (12) before the Long Stop Date. The Purchaser shall have the right to waive any Conditions and impose additional conditions to such waiver at its sole discretion (save for Conditions (5), (6), (7) and (8) which are incapable of being waived) by written notice to the Vendor at any time before the Long Stop Date.

If any of the Conditions have not been fulfilled or waived before 4 p.m. on the Long Stop Date, the Equity Transfer Agreement shall lapse immediately and be of no further effect (save for provisions relating to confidentiality, governing law and other miscellaneous provisions) and neither party to the Equity Transfer Agreement shall have any claim against or liability or obligation to the other party save for any antecedent breaches.

Completion

Subject to the fulfillment or waiver of all the above Conditions, Completion shall take place on the fifth Business Day after the last outstanding Condition has been fulfilled or waived, or such other date as the Vendor and the Purchaser may agree in writing.

Indemnities

The Vendor has unconditionally and irrevocably undertaken and warranted to the Purchaser that it would fully compensate the Purchaser for all loss and damage inflicted on the Purchaser as a result of non-performance of any agreement, obligations and undertakings to be performed by the Vendor or the Target Group Companies under the Equity Transfer Agreement.

INFORMATION ON THE TARGET

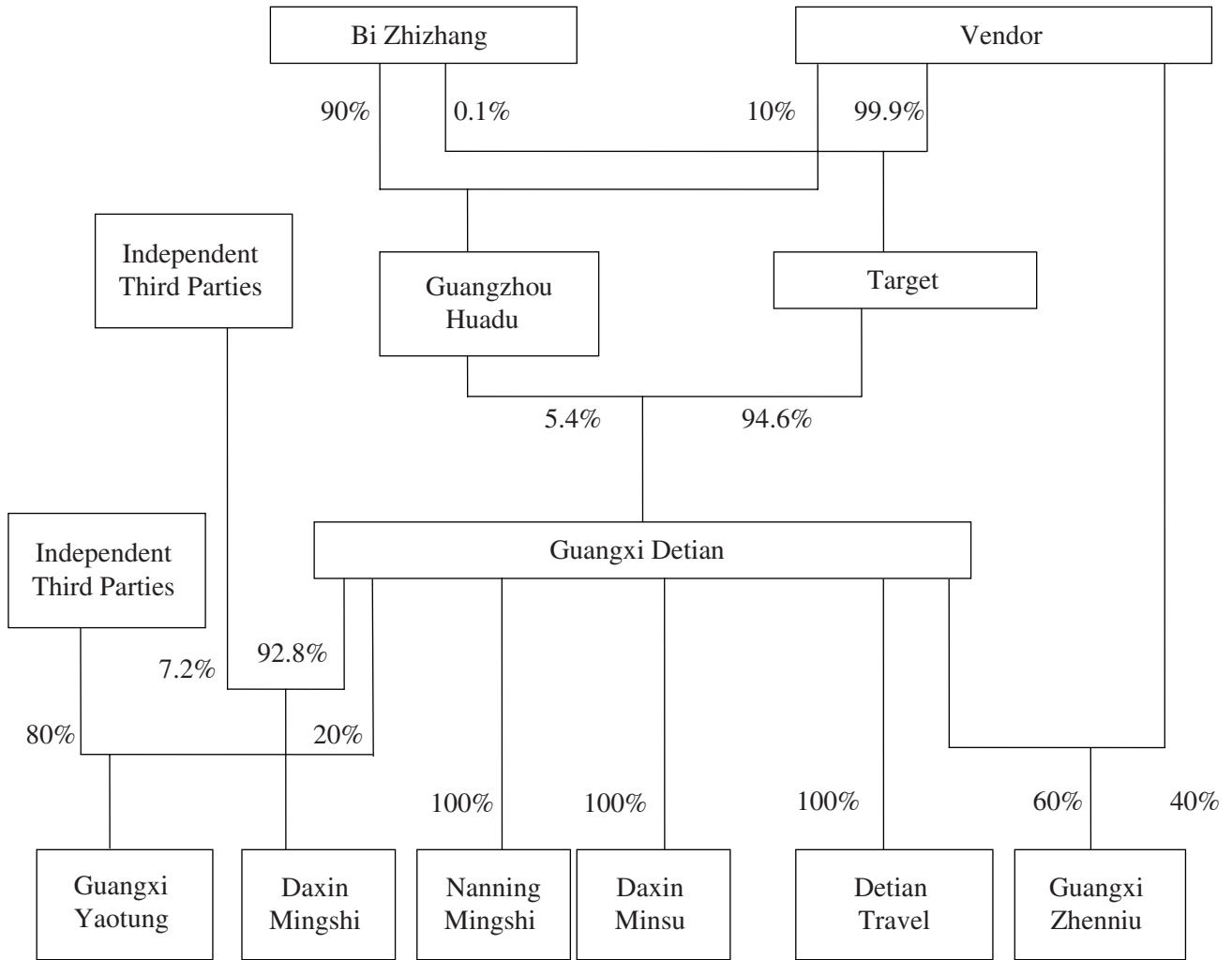
As at the date of this announcement, the Target is beneficially held as to 99.9% by the Vendor and 0.1% by Bi Zhizhang, each of whom, is to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, an Independent Third Party.

The Target is established on 28 December 2000 in the PRC with limited liability with existing paid-up capital of RMB6 million. It is principally engaged in the business of providing management consultation services and property investment for rental income. Its principal assets are 94.6% equity interests in Guangxi Detian, which wholly owns Daxin Minsu, Nanning Mingshi, Guangxi Zhenniu and Detian Travel, 92.8% of the equity interest of Daxin Mingshi and 20% of the equity interest of Guangxi Yaotung as at Completion.

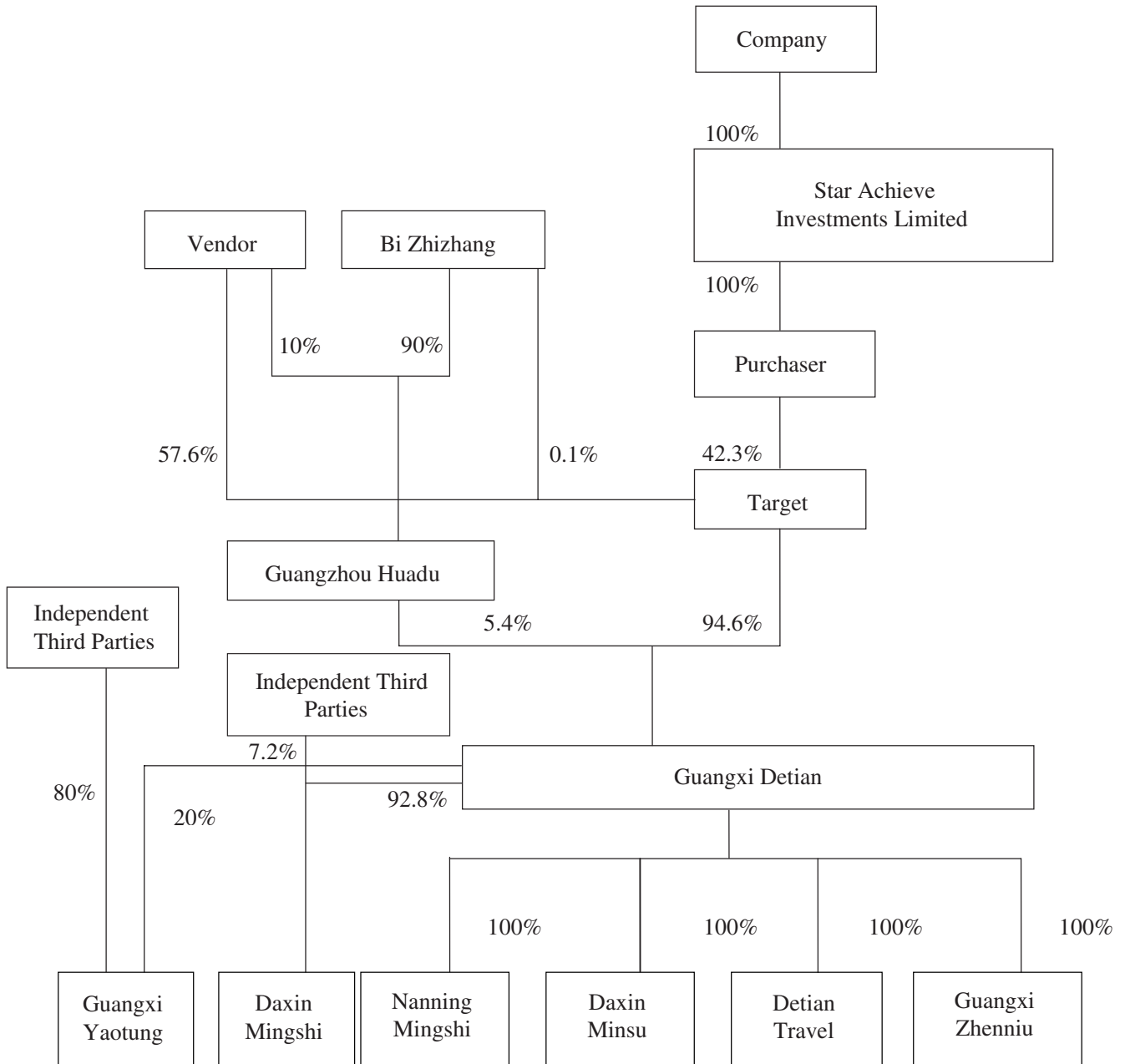
Certain information relating to the Target Group Companies are set forth below:

	Date of Incorporation	Registered capital	Paid-up capital	Principal business
Guangxi Detian	15 September 1999	RMB30 million	RMB1.08 million	Provision of tourism services and operation of hotels and accommodation
Daxin Mingshi	27 April 2007	RMB10 million	RMB10 million	Provision of tourism services and operation of hotels and accommodation
Nanning Mingshi	26 May 2008	RMB500,000	RMB500,000	Provision of tourism services
Daxin Minsu	14 August 2014	RMB5 million	Nil	Operation of hotels and accommodation
Detian Travel	1 March 2001	RMB300,000	RMB300,000	Provision of tourism services
Guangxi Zhenniu	12 August 2014	RMB5 million	Nil	Provision of electronic tourism business
Guangxi Yaotung	23 April 2015	RMB30 million	Nil	Investment and provision of tourism services

The following diagram illustrates the shareholding structure of the Target Group Companies as at the date of this announcement:



The following diagram illustrates the shareholding structure of the Target Group Companies immediately after Completion:



Based on the unaudited accounts of the Target prepared based on PRC accounting standards, certain financial information of the Target for each of the financial years ended 31 December 2013 and 2014 are as follows:

	For the year ended 31 December 2014 (unaudited) RMB	For the year ended 31 December 2013 (unaudited) RMB
Revenue	77,813,000	80,682,000
Net (loss)/profit before taxation	(1,374,000)	3,909,000
Net loss after taxation	(3,958,000)	(503,000)

The unaudited total asset value and net asset value of the Target as at 30 September 2015 were approximately RMB119,478,000 and approximately RMB48,550,000 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in operation of hotel services and properties rental in the Southeast Asia region.

The Board considers that the Acquisition will diversify the business of the Group into tourist sightseeing park and hotel operations in the PRC, and will broaden the Group's profit streams.

After the completion of the Acquisition, the Target will become an associate of the Group. In order to improve the financial performance as a whole, the Group, with great endeavor, will reorganise and integrate the internal resources of the hotel business and related assets with the Target, to enhance its service quality to world-class excellence.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is principally engaged in operation of hotel services and properties rental in the Southeast Asia region.

IMPLICATION UNDER THE GEM LISTING RULES

As certain applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceed 25% but all applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and will be subject to the applicable announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Equity Transfer Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 1 March 2016.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and his associates hold an aggregate of 115,872,000 Shares, representing approximately 3.32% of the issued share capital of the Company as at the date of this announcement. As the Vendor has a material interest in the Acquisition, he and his associates will abstain from voting on the relevant resolution in respect of the Equity Transfer Agreement and the transactions contemplated thereunder to be proposed at the EGM. Save as disclosed, no Shareholder will be required to abstain from voting on the resolution to be proposed at the EGM.

Shareholders and potential investors of the Company should be aware that the completion of the Equity Transfer Agreement is subject to the satisfaction (or, if applicable, waiver) of certain conditions and consequently the Equity Transfer Agreement may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the purchase of the Sale Interests by the Purchaser from the Vendor pursuant to the terms of the Equity Transfer Agreement
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a working day other than Saturdays, Sundays and public holidays under the laws of the PRC; and a trading day of the Stock Exchange
“Company”	Link Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date of Completion, which means within the fifth Business Day after the last outstanding Condition as specified in the Equity Transfer Agreement shall have been fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing) on which Completion is to take place
“Condition(s)”	the conditions precedents to Completion, details of which are set out in the subsection headed “The Equity Transfer Agreement – Conditions precedent” of this announcement
“Consideration”	the consideration for the Acquisition, being the sum of RMB21,150,000

“Daxin Mingshi”	大新名仕旅遊發展有限公司 (in English, for identification purpose only, as Daxin Mingshi Travel Development Limited), a company established in the PRC and a Target Group Company
“Daxin Minsu”	大新民宿酒店管理有限公司 (in English, for identification purpose only, as Daxin Minsu Hotel Management Limited), a company established in the PRC and a Target Group Company
“Daxin Travel”	大新縣德天旅行社有限責任公司 (in English, for identification purpose only, as Daxin County Detian Travel Agency Limited), a company established in the PRC and a Target Group Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Purchaser (or its nominee) has been duly registered by the relevant administration for industry and commerce authority of the PRC as the owner of 42.3% equity interests in the Target, and the Target has obtained the new business licence as a sino-foreign equity joint venture
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the conditional equity transfer agreement dated 1 February 2016 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Extension Announcements”	the announcement made by the Company on 15 October 2015 in relation to, among other things, the extension of the exclusivity period for entering into a formal agreement for the Acquisition to 15 December 2015 by way of an extension letter entered into between the Company and the Vendor on 15 October 2015 and the announcement made by the Company on 15 December 2015 in relation to further extension of the exclusivity period to 14 March 2016
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guangxi Detian”	廣西德天旅遊發展集團有限公司 (in English, for identification purpose only, as Guangxi Detian Travel Development Group Limited), a company established in the PRC and a Target Group Company
“Guangzhou Huadu”	廣州市花都綠業發展有限公司, (in English, for identification purpose only, as Guangzhou Huadu Luye Development Limited), a company established in the PRC

“Guangxi Zhenniu”	廣西真牛電子科技有限公司 (in English, for identification purpose only, as Guangxi Zhenniu Electronic and Technology Limited), a company established in the PRC and a Target Group Company
“Guangxi Yaotung”	廣西耀通投資有限公司 (in English, for identification purpose only, as Guangxi Yaotung Investment Limited), a company established in the PRC and a Target Group Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and the connected persons (as defined under the GEM Listing Rules) of the Company and Independent Third Parties shall be construed accordingly
“Long Stop Date”	31 March 2016, or such later date as the Vendor and the Purchaser may agree in writing
“Material Adverse Effect (or Change)”	any effect (or change) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the Target Group Companies as a whole
“MOU Announcement”	the announcement made by the Company on 20 April 2015 in relation to, among other things, the entering into of a memorandum of understanding between the Company and the Vendor in relation to the possible Acquisition (“MOU”)
“Nanning Mingshi”	南寧明仕旅遊策劃有限公司 (in English, for identification purpose only, as Nanning Mingshi Travel Planning Limited), a company established in the PRC and a Target Group Company
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Star Adventure Investment Limited, a company incorporated in Hong Kong on 9 October 2015 with limited liability and an indirect wholly-owned subsidiary of the Company
“Reorganisation”	Guangxi Detian’s acquisition of equity interests in Guangxi Zhenniu from the Vendor, which is to complete before the Completion Date, such that immediately after the said acquisition and as at Completion, the Target Group shall attain the structure as set out under the second diagram under the paragraph headed “Information on the Target” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	42.3% of the entire equity interests in the Target

“Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	珠海市康明德投資有限公司 (in English, for identification purpose only, as Zhuhai Kang Ming De Investment Limited), a company established in the PRC on 28 December 2000 and is owned as to 99.9% by the Vendor and 0.1% by 畢志彰 (Bi Zhizhang) as at the date of this announcement
“Target Group Companies”	collectively, the Target, Guangxi Detian, Daxin Mingshi, Nanning Mingshi, Daxin Minsu, Guangxi Zhenniu, Guangxi Yaotung and Daxin Travel
“Vendor”	畢景駿(Bi Jingjun)
“%”	per cent.

Link Holdings Limited
Ngan Iek
Chairman and non-executive Director

Hong Kong, 1 February 2016

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, Ms. Ngan Iek Peng, Mr. Liu Tianlin and Ms. Feng Xiaoying; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Chan So Kuen, Mr. Lai Yang Chau, Eugene and Mr. Lu Nim Joel.

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 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 “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.linkholdingslimited.com>.

* *For identification purpose only*