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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)

DISCLOSEABLE AND CONNECTED TRANSACTION AT THE SUBSIDIARY LEVEL IN RESPECT OF ACQUISITION OF 12% PAID UP CAPITAL AND SHAREHOLDER'S LOAN IN PT. HANG HUO INVESTMENT

The Board is pleased to announce that on 11 March 2016 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares and the Sale Loan for a cash consideration of S\$2,820,000 (equivalent to approximately HK\$15,510,000), which is payable by the Purchaser to the Vendor on Completion.

Implications under the GEM Listing Rules

As one of the applicable percentage ratios exceeds 5% but is less than 25% and the Vendor, who is the legal and beneficial owner of 20% paid-up capital of PT Hang Huo Investment, the legal and beneficial owner of 10% paid-up capital of PT Hang Huo International and a director of PT Hang Huo Investment, is a connected person of the Company at the subsidiary level, the Acquisition constitutes a discloseable and connected transaction under Chapters 19 and 20 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements. The Directors consider that the entering into of the Sale and Purchase Agreement is on normal commercial terms.

THE SALE AND PURCHASE AGREEMENT

Date: 11 March 2016

Parties: Purchaser: Duchess Global Ltd, a wholly-owned subsidiary of the Company

Vendor: Mr. Tjiagus Thamrin

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement, the Vendor is the legal and beneficial owner of 20% of the paid-up capital of PT Hang Huo Investment, the legal and beneficial owner of 10% of the paid-up capital of PT Hang Huo International and a director of PT Hang Huo Investment. The Vendor is a connected person of the Company at the subsidiary level.

* For identification purpose only

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell

- (i) the Sale Shares, being 360,000 shares of each having a nominal value of IDR9,867 (or US\$1) in the paid-up capital of PT Hang Huo Investment, and were subscribed by the Vendor at the nominal value of IDR9,867 (or US\$1) each when PT Hang Huo Investment was established on 3 September 2013; and
- (ii) the Sale Loan, being the shareholder's loan in the sum of S\$2,358,000 (equivalent to approximately HK\$12,969,000) owed by PT Hang Huo Investment to the Vendor, such loan is interest free and repayable on demand.

Consideration

The consideration for the Sale Shares and the Sale Loan shall be S\$2,820,000 (equivalent to approximately HK\$15,510,000), and shall be paid by the Purchaser to the Vendor in cash on the Completion Date.

The consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor, based on the consideration paid for the acquisition of the Bintan Land that contributed by the Sales Shares.

The Directors (including the independent non-executive Directors) consider that the entering into of the Sale and Purchase Agreement is on normal commercial terms but not in the ordinary course of business of the Group and the terms of the Acquisition including the consideration are fair and reasonable and is in the interests of the Group and its Shareholders as a whole.

As none of the Directors have interest in the Sale and Purchase Agreement, none of the Directors are required to abstain from voting in the Board meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Conditions

Completion shall be subject upon:

- (a) the approval of the board of directors of the Purchaser for the purchase of the Sale Shares and the Sale Loan upon the terms and conditions set out in the Sale and Purchase Agreement, being obtained;
- (b) the Vendor not being in breach in any material respect of any of his obligations or undertakings under the Sale and Purchase Agreement;
- (c) the Purchaser not being in breach in any material respect of any of its obligations or undertakings under the Sale and Purchase Agreement;
- (d) no governmental, regulatory or court act, decree or order is made which may materially hinder completion of the sale transaction contemplated hereunder, or the performance by the parties of their respective obligations under the Sale and Purchase Agreement;

- (e) all necessary approvals, licenses and consents (if any) being granted by third parties and all governmental, regulatory bodies and relevant authorities having jurisdiction over the sale and purchase of the Sale Shares and the Sale Loan or the transactions contemplated under the Sale and Purchase Agreement, and where any such licenses, consent or approval is granted subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Purchaser, and if such conditions are required to be fulfilled before Completion Date, such conditions being fulfilled before the Completion Date, and such licenses, consents or approvals not being revoked, withdrawn or varied on or before the Completion Date;
- (f) the shareholders of PT Hang Huo Investment approving the transfer of the Sale Shares and the Sale Loan by the Vendor to the Purchaser (or to such nominee as it may direct) on or before the Completion Date;
- (g) the consent from the Vendor's wife having been obtained with regard to the sale of the Sale Shares and the Sale Loan; and
- (h) all such other necessary approvals, consents and permits having been obtained in connection with the sale and purchase of the Sale Shares and the Sale Loan between the Vendor and the Purchaser.

The Purchases may at any time before Completion by writing to the Vendor waive the condition set out in (b), (d) and (h) above, whereas the Vendor may at any time before Completion by writing to the Purchaser waive the condition set out in Clause (c), (d) and (h) above. If the above conditions have not been fulfilled on or before 4:00 pm on 30 April 2016 or such later date as the Vendor and Purchaser may agree in writing, the Sale and Purchase Agreement will be terminated and ceased to be effective, save for any antecedent breach.

Completion

The completion of the sale and purchase of the Sale Shares and the Sale Loan shall take place on the Completion Date. Upon completion, PT Hang Huo Investment will be owned as to 92% by the Purchaser and will continue be an indirect non wholly-owned subsidiary of the Company and its financial information shall continue to be consolidated into the consolidated financial statement of the Group.

INFORMATION ON PT HANG HUO INVESTMENT

PT Hang Huo Investment, a company incorporated in Indonesia and has an authorised capital of IDR69,069,000,000 divided into 7,000,000 shares, each having a nominal value of IDR9,867 and the paid-up capital of PT Hang Huo Investment was IDR29,601,000,000 divided into 3,000,000 shares, 2,400,000 shares of which are registered under the name of the Purchaser (representing 80% of its total paid-up capital of PT Hang Huo Investment) and 600,000 shares of which are registered under the name of the Vendor (representing 20% of its total paid-up capital of PT Hang Huo Investment). The Vendor acquired the Sale Shares by way of initial subscription at the nominal value of IDR9,867 each at the time PT Hang Huo Investment was incorporated. Hence, the total subscription price paid by the Vendor for the Sale Shares is IDR3,552,120,000 (equivalent to US\$360,000). The Sale Shares are not subject to any selling restriction.

PT Hang Huo Investment is the legal and beneficial owner of 62 parcels of land in a total area of approximately 425,497 sq.m. situated at Malang Rapat, Gunung Kijang, Bintan, Riau Island, Indonesia (the “**Bintan Land**”). As disclosed in the prospectus of the Company dated 30 June 2014 and the announcement of the Company dated 30 June 2015, the Company intends to develop and erect resort and hotel complex on those 62 parcels of land (the “**Bintan Development Plan**”).

Set out below is the audited financial information of PT Hang Huo Investment for the two years ended 31 December 2014, based on its audited accounts which were prepared in accordance with the Indonesian Financial Accounting Standards:

	For the year ended 31 December 2014	For the year ended 31 December 2013
	S\$	S\$
	<i>(audited)</i>	<i>(audited)</i>
Turnover	300,000	–
Profit/(Loss) before taxation	655,203	(58,065)
Profit/(Loss) after taxation	625,203	(58,065)

The unaudited net asset value of PT Hang Huo Investment as at 30 June 2015 is approximately S\$6,133,467 (equivalent to HK\$33,734,069).

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in hotel ownership and operation. PT Hang Huo Investment is the legal and beneficial owner of the Bintan Land. As disclosed in the announcement of the Company dated 30 June 2015, the preliminary first stage of the first phase of the Bintan Development Plan comprising the construction of a beachfront resort, has been devised. According to the revised working schedule of the first stage of the first phase of the Bintan Development Plan, the construction of a beachfront resort will commence construction in the first half of 2016. The Board considers that with the development of the Bintan Development Plan, the potential value of PT Hang Huo Investment to the Group will be increased. The Board therefore considers to increase the shareholding of the Company in PT Hang Huo Investment and such increment will be in the interests of the Company and its Shareholders as a whole.

Further, given that the Vendor is an experienced Indonesian merchant who has profound knowledge on how to conduct business in Indonesia, the cooperation with the Vendor in respect of the Bintan Development Plan and retaining the Vendor as the shareholder of PT Hang Huo Investment will enable the Group to leverage the Vendor’s expertise and business network in Indonesia and will facilitate the development and implementation of the Bintan Development Plan. The Board and the Vendor therefore agreed that the Purchaser to purchase an addition of 12% shareholding and shareholder’s loan in PT Hang Huo Investment while the Vendor still maintain as an 8% shareholder of PT Hang Huo Investment.

The Directors (including the independent non-executive Directors) considered that the terms of the Sale and Purchase Agreement are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios exceeds 5% but is less than 25% and the Vendor, who is the legal and beneficial owner of 20% equity interest in PT Hang Huo Investment, the legal and beneficial owner of 10% equity interest in PT Hang Huo International and a director of PT Hang Huo Investment, is a connected person of the Company at the subsidiary level, the Acquisition constitutes a discloseable and connected transaction under Chapters 19 and 20 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements. The Directors consider that the entering into of the Sale and Purchase Agreement is on normal commercial terms.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan
“Board”	the board of Directors
“Company”	Link Holdings Limited (stock code: 8237), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Completion Date”	the date on which the completion of the sale and purchase of the Sale Shares and the Sale Loan takes place, being a date mutually agreed between the Vendor and the Purchaser
“connected person(s)”	has the meaning ascribed to that term under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“IDR”	Indonesian Rupiah, the lawful currency of Indonesia
“PT Hang Huo Investment”	PT. Hang Huo Investment, a company established in Indonesia with limited liability on 3 September 2013 and the paid-up capital of which is registered as to 80% in the name of the Purchaser and 20% in the name of the Vendor, an indirect non wholly-owned subsidiary of the Company

“PT Hang Huo International”	PT. Hang Huo International, a company established in Indonesia with limited liability on 29 May 2015 and the paid-up capital of which is registered as to 90% in the name of Mandale Globe Ltd. and 10% in the name of the Vendor, an indirect non wholly-owned subsidiary of the Company
“Purchaser”	Duchess Global Ltd., a company incorporated in the British Virgin Islands with limited liability on 3 April 2013 and a direct wholly-owned subsidiary of our Company
“S\$”	Singaporean dollar(s), the lawful currency of Singapore
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 March 2016 in relation to the Acquisition and entered into between the Vendor and the Purchaser
“Sale Shares”	360,000 shares of each having a nominal value of IDR9,867 in the paid-up capital of PT Hang Huo Investment
“Sale Loan”	the shareholder’s loan in the sum of S\$2,358,000 (equivalent to approximately HK\$12,969,000) owed by PT Hang Huo Investment to the Vendor, such loan is interest free and repayable on demand
“Share(s)”	existing ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Mr. Tjiagus Thamrin, who holds 20% of the paid-up capital of PT Hang Huo Investment and 10% of the paid-up capital of PT Hang Huo International, a connected person of the Company

By order of the Board of
Link Holdings Limited
Ngan Iek
Chairman and executive Director

Hong Kong, 11 March 2016

In this announcement, for reference only, the translation of Singaporean dollars and Indonesian Rupiah into Hong Kong dollars is based on the exchange rate of S\$1.00 = HK\$5.50, respectively.

As at the date of this announcement, the executive Directors are Mr. Ngan Iek, Datuk Siew Pek Tho and Mr. Chen Changzheng; the non-executive Directors are 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>.