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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 TRANSACTION IN RELATION TO THE ENTERING INTO OF THE DEBT ASSIGNMENT AGREEMENT

THE DEBT ASSIGNMENT AGREEMENT

On 25 April 2017 (after trading hours of the Stock Exchange), the Assignee, a wholly-owned subsidiary of the Company, entered into the Debt Assignment Agreement with the Assignor, an associate of the Company, pursuant to which the Assignor conditionally agreed to assign, and the Assignee conditionally agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables, at the cash consideration of RMB108.9 million.

IMPLICATION UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Assignment is more than 5% but less than 25%, the Assignment constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

On 25 April 2017 (after trading hours of the Stock Exchange), the Assignee, a wholly-owned subsidiary of the Company, entered into the Debt Assignment Agreement with the Assignor, an associate of the Company, pursuant to which the Assignor conditionally agreed to assign, and the Assignee conditionally agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables, at the cash consideration of RMB108.9 million.

THE DEBT ASSIGNMENT AGREEMENT

Date: 25 April 2017

Parties: 珠海市康明德企業管理服務有限公司 (transliterated as Zhuhai Shi Kang Ming De Corporate Management Services Limited), as the assignor

廣西恒和智達資產管理有限公司 (transliterated as Guangxi Heng He Zhi Da Asset Management Limited), as the assignee

* For identification purpose only

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save that the Assignor is owned as to 42.3% by the Group, each of the Assignor and its other 57.7% ultimate beneficial owners is not a connected person of the Company and is an Independent Third Party.

Assets to be assigned

Pursuant to Debt Assignment Agreement, the Assignor conditionally agreed to assign, and the Assignee conditionally agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables.

The Debt Receivables comprises 19 non-performing debts owed by the Debtors to the original lender, which was then successfully bid by the Assignor at the auction meeting dated 9 October 2016. The Collaterals contain certain land use rights, commercial and residential properties located in Jiangxi province, the PRC, and as advised by the Assignor, were pledged by the Debtors to the original lender in securing the debts. Pursuant to the First Debt Assignment Agreement executed after the auction meeting, China Cinda has agreed to assign and the Assignor has agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables at the cash consideration of RMB108.9 million. As advised by the Assignor, RMB47.0 million has been paid to China Cinda and RMB61.9 million is outstanding as at the date of this announcement.

Condition precedent

Completion of the Debt Assignment Agreement shall be conditional upon and subject to the fulfilment of the following conditions:

- (i) the Assignor having delivered to the Assignee (a) the payment reminder issued by China Cinda in respect of the remaining outstanding consideration under the First Debt Assignment Agreement, and (b) a letter issued by the Assignor to the Assignee, pursuant to which Assignor covenant to pay China Cinda the penalty for breach of contract caused by the default payment of RMB61.9 million, and to bear all the obligations for breach of the First Debt Assignment Agreement;
- (ii) there being no significant issues from the results of the due diligence review on the Debt Receivables;
- (iii) China Cinda having published an announcement pursuant to the First Debt Assignment Agreement in respect of the assignment of Debt Receivables to the Assignor; and
- (iv) the Assignor having published an announcement pursuant to the Debt Assignment Agreement in respect of the Assignment to the Assignee.

Consideration

The total Consideration for the Assignment is RMB108.9 million, which shall be satisfied by the Assignee in the following manner:

- (1) an initial deposit of RMB61.9 million (the "**Deposit**") shall be paid in cash by the Assignee to the Assignor within 3 Business Days upon fulfillment of conditions (i) and (ii); and
- (2) RMB47.0 million shall be paid by the Assignee to the Assignor after fulfillment of conditions (iii) and (iv).

In the event that conditions (i) and (ii) are not fulfilled within three months from the date of the Debt Assignment Agreement, either the Assignor or the Assignee has the right to issue a written notice to terminate the Debt Assignment Agreement, whereby the Assignor shall refund the Deposit (without interest) to the Assignee within 3 Business Days from the date of the termination notice.

The Consideration was arrived at after arm's length negotiations between the Assignor and the Assignee, taking into account, the preliminary value of the Collaterals and the original auction price bid by the Assignor of RMB108.9 million.

It is intended the Consideration will be funded by internal resources of the Group.

INFORMATION ON THE ASSIGNOR AND CHINA CINDA

The Assignor is a company established in the PRC in December 2000 and its business scope includes corporate management, hotel management services, and project investment advisory.

China Cinda is the Jiangxi branch office of China Cinda Asset Management Co., Ltd. and its principal business includes management of distressed assets, investment and asset management as well as financial services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of China Cinda and its ultimate beneficial owners is not a connected person of the Company and is an Independent Third Party.

Pursuant to the First Debt Assignment Agreement, China Cinda has agreed to assign and the Assignor has agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables at the cash consideration of RMB108.9 million. As advised by the Assignor, RMB47.0 million was paid to China Cinda and RMB61.9 million was outstanding as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

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

The preliminary value of the Collaterals of approximately RMB660.5 million is far more than the consideration payable by the Assignee. To the best knowledge, information and belief of the Directors having made the reasonable enquiries, the Collaterals contain certain land use rights and commercial and residential properties located at Jiangxi province, the PRC. In view that the property market in the PRC is booming, there should not have major obstacles to realise the Collaterals.

The Board considers that the Assignment represents a good investment opportunity. As the Debt Receivables have been overdue, shortly after the Completion, the Assignee would take legal action to demand for the repayment of the Debt Receivables or to enforce the Collaterals to recover the Debt Receivables. Hence, the Assignee can realise its investment in a very short period of time.

IMPLICATION UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Assignment is more than 5% but less than 25%, the Assignment constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Assignment”	the assignment of the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables
“Assignee”	廣西恒和智達資產管理有限公司 (transliterated as Guangxi Heng He Zhi Da Asset Management Limited), a company established in the PRC, a wholly-owned subsidiary of the Company, and the assignee of the Debt Assignment Agreement
“Assignor”	珠海市康明德企業管理服務有限公司 (transliterated as Zhuhai Shi Kang Ming De Corporate Management Services Limited), a company established in the PRC, an associate of the Company, and the assignor of the Debt Assignment Agreement
“associate”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“China Cinda”	the Jiangxi branch office of China Cinda Asset Management Co., Ltd.
“Collaterals”	the certain land use rights and commercial and residential properties located in Jiangxi province, the PRC, which were previously pledged by the Debtors to the original lender in securing various debts under the Debt Receivables
“Company”	Link Holdings Limited (stock code: 8237), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the Assignment pursuant to the terms and conditions of the Debt Assignment Agreement
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the total consideration to be satisfied by the Assignee for the Assignment

“Debt Assignment Agreement”	the debt assignment agreement dated 25 April 2017 entered into between the Assignor and the Assignee, pursuant to which the Assignor conditionally agreed to assign, and the Assignee conditionally agreed to accept, the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables
“Debt Receivables”	the 19 non-performing debts owed by the Debtors to the original lender, which was then successfully bid by the Assignor at the auction meeting dated 9 October 2016
“Debtors”	independent third parties who owe certain debts to the original lender and who have previously pledged the Collaterals to the original lender in securing such debts
“Director(s)”	the director(s) of the Company
“First Debt Assignment Agreement”	the first debt assignment agreement entered into between China Cinda and the Assignor dated 9 October 2016, pursuant to which China Cinda assigned the Debt Receivables and the enforcement right of the Collaterals in connection with the Debt Receivables to the Assignor
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“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 executive Director

Hong Kong, 25 April 2017

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

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