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Ace Kingdom Enterprises Corporation

(Incorporated in the British Virgin Islands with limited liability)

OFFER ANNOUNCEMENT

**(1) PROPOSED SALE OF SALE SHARES IN
LINK HOLDINGS LIMITED
BY VERTIC HOLDINGS LIMITED TO
ACE KINGDOM ENTERPRISES CORPORATION;**

AND

**(2) MANDATORY CONDITIONAL CASH OFFERS BY
OCTAL CAPITAL LIMITED
ON BEHALF OF ACE KINGDOM ENTERPRISES CORPORATION
TO ACQUIRE ALL OF THE ISSUED SHARES AND
ALL OF THE CONVERTIBLE BONDS OF
LINK HOLDINGS LIMITED (STOCK CODE: 8237)
(OTHER THAN THOSE ALREADY OWNED BY
ACE KINGDOM ENTERPRISES CORPORATION
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror



THE PROPOSED SALE

On 13 February 2023 (after trading hours of the Stock Exchange), Vertic entered into the SPA with the Offeror in relation to the Proposed Sale of 1,900,000,000 Sale Shares, representing approximately 45.37% of total issued share capital of Link Holdings as at the date of this announcement. The consideration for the Sale Shares is HK\$37,000,000, which is equivalent to approximately HK\$0.01947 per Sale Share.

Completion took place on 15 February 2023.

MANDATORY CONDITIONAL CASH OFFERS

Based on the published information of Link Holdings available to the public as at the date of this announcement, Link Holdings has a total of 4,188,000,000 Shares in issue. Immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares, Convertible Bonds or voting rights of Link Holdings. Immediately after the Completion, the Offeror and parties acting in concert with it own a total of 1,900,000,000 Shares, representing approximately 45.37% of the total issued share capital of Link Holdings as at the date of this announcement.

As a result of the Completion, the Offeror is required to make mandatory conditional cash offers for (i) all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code; and (ii) all the outstanding Convertible Bonds in accordance with Rule 13.5 of the Takeovers Code. **The Offeror does not have intention to privatise Link Holdings. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.**

As at the date of this announcement, Link Holdings had 4,188,000,000 Shares in issue and outstanding Convertible Bonds in the principal amount of HK\$25,278,000 which carry rights to convert into 76,600,000 new Shares in full, and none of the Offeror and parties acting in concert with it holds any Convertible Bonds.

The Offers

The Offers will be made by Octal Capital on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer ShareHK\$0.0195 in cash

The Share Offer Price of HK\$0.0195 per Offer Share under the Share Offer is determined at a price of no less than the consideration per Sale Share of approximately HK\$0.01947 payable by the Offeror under the SPA.

The CB Offer

For the Convertible Bonds HK\$1,493,700 in cash

The CB Offer Price for the Convertible Bonds is determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Bonds, being the number of Shares into which the Convertible Bonds are convertible into multiplied by the Share Offer Price.

The Share Offer is conditional only upon the Offeror having received acceptances in respect of voting rights which, together with the Shares already owned by the Offeror and parties acting in concert with it, will result in the Offeror and parties acting in concert with it in aggregate holding more than 50% of the voting rights of Link Holdings at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later time(s) and/or date(s) as the Offeror may, subject to the Takeovers Code, decide and the Executive may approve).

The CB Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offeror will issue a further announcement in relation to the fulfilment of such condition (at which time the Offeror can declare the Offers unconditional as to acceptances if such condition has been fulfilled) and any revision, extension or lapse of the Offers, as the case may be, in accordance with the Takeovers Code. Pursuant to Rule 15.5 of the Takeovers Code, unless otherwise agreed by the Executive, the latest time at which the Offeror may declare the Offers unconditional as to acceptances is 7:00 p.m. (Hong Kong time) on the Extended Closing Date (or such later date to which the Executive may consent).

Despatch of Offer Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document which contains, among other things, further details of the Offers within twenty-one (21) days after the date of this announcement, or such later date as the Executive may approve.

Pursuant to Rule 8.4 of the Takeovers Code, Link Holdings is required to despatch an offeree board circular containing, among other things, the letter from the board, the recommendations from the independent board committee of Link Holdings to the independent shareholders of Link Holdings in relation to the Offers and the advice and recommendations from the independent financial adviser to the independent board committee of Link Holdings within 14 days of the publication of the Offer Document.

WARNING: The Offers are conditional. Accordingly, the Offers may or may not become unconditional. Shareholders, CB Holders and potential investors of Link Holdings are advised to exercise caution when dealing in the securities of Link Holdings. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

If the total number of the Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide and the Executive may approve) under the Share Offer, together with the Shares acquired by the Offeror or parties acting in concert with it before or during the Offers, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of Link Holdings, the Offers will not become unconditional and will lapse.

THE PROPOSED SALE

On 13 February 2023 (after trading hours of the Stock Exchange), Vertic entered into the SPA with the Offeror in relation to the Proposed Sale of 1,900,000,000 Sale Shares, representing approximately 45.37% of total issued share capital of Link Holdings as at the date of this announcement. The consideration for the Sale Shares is HK\$37,000,000, which is equivalent to approximately HK\$0.01947 per Sale Share.

Completion took place on 15 February 2023.

Background of the Proposed Sale

Pursuant to the Facility Letter, GJS granted a loan facility of no more than HK\$200,000,000 to Vertic (the “**Loan**”) and Vertic charged all the Sale Shares to GJS as security for the repayment of the Loan. Vertic subsequently defaulted under the Loan and a winding up petition was filed against Vertic on 9 December 2019. Pursuant to an order of the High Court of The Hong Kong Special Administrative Region dated 27 January 2022, Mr. Yeung Lui Ming (Edmund) of Deloitte Touche Tohmastu and Ms. Wong Siow Chuen of Deloitte & Touche Financial Advisory Services Limited, Guangzhou Branch, have been appointed the Joint Liquidators of Vertic. Around December 2022, Mr. Yuan Tianfu (“**Mr. Yuan**”), being one of the ultimate beneficial owners of the Offeror and a client of an asset management company (“**AMC**”), was introduced by AMC in relation to a bidding invitation of the Sales Shares offered by the Joint Liquidators on behalf of Vertic. AMC represented its client, Mr. Yuan, to submit a bidding offer to the Joint Liquidators in late December 2022. Subsequently, AMC was informed by the Joint Liquidators that its client has won the bidding in early January 2023. Mr. Yuan together with other beneficial owners of the Offeror entered into the MOU and the SPA with Vertic on 9 January 2023 and 13 February 2023 respectively.

Immediately prior to Completion, Vertic was the legal owner of, and GJS was the chargee of, the Sale Shares, respectively, and had the right and power to sell, transfer or otherwise dispose of the Sale Shares free from any claims, charges, liens, encumbrances, equities or adverse rights of any description. The encumbrances over the Sale Shares were released by GJS at the Completion.

Consideration

The consideration for the Sale Shares is HK\$37,000,000 (equivalent to approximately HK\$0.01947 per Sale Share) which was agreed between the Offeror and Vertic after arm's length negotiations after taking into account that (i) the Joint Liquidators have been appointed over the assets of Vertic; (ii) the Group has recorded a net current liabilities of approximately HK\$338.9 million as at 30 June 2022; (iii) the Group has recorded a loss of approximately HK\$115.8 million for the year ended 31 December 2021; and (iv) the Offeror can obtain a controlling interest in Link Holdings upon the Completion.

The consideration for the Sale Shares was settled in cash by the Offeror in the following manner:

- (a) a sum of HK\$3,700,000 was paid to Vertic as a deposit on 6 January 2023, which has been applied as partial payment of the consideration; and
- (b) the remaining balance of HK\$33,300,000 was paid by the Offeror to Vertic at Completion.

The Offers, when made, will be unconditional in all respects.

MANDATORY CONDITIONAL CASH OFFERS

Based on the published information of Link Holdings available to the public as at the date of this announcement, Link Holdings has a total of 4,188,000,000 Shares in issue. Immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares, Convertible Bonds or voting rights of Link Holdings. Immediately after the Completion, the Offeror and parties acting in concert with it own a total of 1,900,000,000 Shares, representing approximately 45.37% of the total issued share capital of Link Holdings.

As a result of the Completion, the Offeror is required to make mandatory conditional cash offers for (i) all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code; and (ii) all the outstanding Convertible Bonds in accordance with Rule 13.5 of the Takeovers Code. **The Offeror does not have intention to privatise Link Holdings. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.**

The Offers

The Offers will be made by Octal Capital on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.0195 in cash

The Share Offer Price of HK\$0.0195 per Offer Share under the Share Offer is determined at a price of no less than the consideration per Sale Share of approximately HK\$0.01947 payable by the Offeror under the SPA.

The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Shares to be acquired under the Share Offer shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them, including, without limitation, the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date of despatch of the Offer Document. Based on the latest information published by Link Holdings, the Offeror is not aware of any outstanding dividend declared but unpaid by Link Holdings as at the date of this announcement.

The CB Offer

For the Convertible Bonds HK\$1,493,700 in cash

The Convertible Bonds will be acquired as fully paid and free from all liens, charges, options, equities, encumbrances or other third-party rights of any nature and together with all rights now or hereafter attaching or accruing to them on or after the date of despatch of the Offer Document.

The CB Offer will apply to all outstanding Convertible Bonds in issue on the date on which the CB Offer is made and will not apply to any Convertible Bonds which are or have been converted into Shares prior to the close of the CB Offer.

Based on the published information of Link Holdings available to the public as at the date of this announcement, Link Holdings has outstanding Convertible Bonds in the principal amount of HK\$25,278,000, which carry rights to convert into 76,600,000 new Shares in full, and none of the Offeror and parties acting in concert with it holds any of the Convertible Bonds.

The CB Offer Price for the Convertible Bonds was determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Bonds, being the number of Shares which the Convertible Bonds are convertible into multiplied by the Share Offer Price.

The Offeror intends to exercise the conversion rights attached to the Convertible Bonds tendered into acceptance into new Shares following the close of the Offers.

Conditions of the Offers

The Share Offer is conditional only upon the Offeror having received acceptances in respect of voting rights which, together with the Shares already owned by the Offeror and parties acting in concert with it, will result in the Offeror and parties acting in concert with it in aggregate holding more than 50% of the voting rights of Link Holdings at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later time(s) and/or date(s) as the Offeror may, subject to the Takeovers Code, decide and the Executive may approve).

The CB Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offeror will issue a further announcement in relation to the fulfilment of such condition (at which time the Offeror can declare the Offers unconditional as to acceptances if such condition has been fulfilled) and any revision, extension or lapse of the Offers, as the case may be, in accordance with the Takeovers Code. Pursuant to Rule 15.5 of the Takeovers Code, unless otherwise agreed by the Executive, the latest time at which the Offeror may declare the Offers unconditional as to acceptances is 7:00 p.m. (Hong Kong time) on the Extended Closing Date (or such later date to which the Executive may consent).

Comparison of the Share Offer Price

The Share Offer Price of HK\$0.0195 per Share represents:

- (a) a discount of approximately 40.9% to the closing price of HK\$0.033 per Share as quoted on the Stock Exchange on 9 January 2023, which was the last trading day immediately prior to the date of the Rule 3.7 Announcement;
- (b) a discount of approximately 45.8% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 47.3% to the average closing price of approximately HK\$0.037 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (d) a discount of approximately 49.1% to the average closing price of approximately HK\$0.038 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (e) a discount of approximately 44.7% to the average closing price of approximately HK\$0.035 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;

- (f) a discount of approximately 63.0% to the audited net asset value attributable to equity holders per Share as at 31 December 2021 of approximately HK\$0.053 per Share, calculated based on 4,188,000,000 Shares in issue as at the date of this announcement; and
- (g) a discount of approximately 55.2% to the unaudited net asset value attributable to equity holders per Share as at 30 June 2022 of approximately HK\$0.043 per Share, calculated based on 4,188,000,000 Shares in issue as at the date of this announcement.

Highest and lowest share prices of Shares

During the six-month period preceding the date of the Rule 3.7 Announcement and thereafter up to and including the Last Trading Day, the highest closing price of Shares as quoted on the Stock Exchange was HK\$0.046 on 11 January 2023, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$0.013 on 21 September 2022, 29 September 2022, 30 September 2022, 3 October 2022, 5 October 2022, 6 October 2022, 7 October 2022, 12 October 2022, 28 October 2022, 3 November 2022, 2 December 2022, 5 December 2022, 6 December 2022, 7 December 2022 and 8 December 2022.

Total value of the Offers

Based on the published information of Link Holdings available to the public as at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is HK\$25,278,000. Assuming the Offers are accepted in full on the basis that (i) none of the conversion rights attaching to the Convertible Bonds are exercised prior to the close of the Offers; and (ii) there is no change in the issued share capital of Link Holdings up to the close of the Offers, the Share Offer (excluding those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) is valued at HK\$44,616,000 and the CB Offer (excluding those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) is valued at HK\$1,493,700.

Assuming that (i) all of the conversion rights attaching to the Convertible Bonds are exercised in full prior to the close of the Offers and there will be no outstanding Convertible Bonds remaining for acceptance under the CB Offer; and (ii) there is no other change in the issued share capital of Link Holdings up to the close of the Offers, based on the published information of Link Holdings available to the public as at the date of this announcement, a total of 2,364,600,000 Shares (representing the Shares not already held or to be acquired by the Offeror and parties acting in concert with it, including the 76,600,000 new Shares to be issued pursuant to the exercise in full of the conversion rights attaching to the Convertible Bonds) will be subject to the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would amount to HK\$46,109,700.

Confirmation of financial resources

The Offeror intends to finance and satisfy the Offers from its internal cash resources.

Octal Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the full acceptance of the Offers.

Effect of accepting the Offers

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Share Offer are free from all Encumbrances and sold together with all rights and benefits attaching to them as at the date of the Offer Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital.

Acceptance of the CB Offer by any CB Holders will be deemed to constitute a warranty by such person that all Convertible Bonds sold by such person under the CB Offer are free from all encumbrances whatsoever.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Subject to the Offers having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offers will be made within seven (7) Business Days (as defined under the Takeovers Code) following the later of the date on which (i) the Offers becomes, or is declared unconditional; and (ii) the date on which the Offer Shares and Convertible Bonds are validly tendered for acceptance of the Offers. Relevant documents of title must be received by the Offeror to render each acceptance of the Offers complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder or CB Holder who accepts the Offers will be rounded up to the nearest cent.

Tax advice

Independent Shareholders and CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, Octal Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.13% of the amount of the consideration payable in respect of the relevant acceptances by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to the Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer.

No stamp duty is payable in connection with the acceptances of the CB Offer.

Availability of the Offers

The Offeror intends to make the Offers available to all Independent Shareholders and CB Holders, including those with registered addresses outside Hong Kong. The availability of the Offers to any persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Independent Shareholders and/or CB Holders who are not resident in Hong Kong and who wish to accept the Offers should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of the Independent Shareholders and/or CB Holders who are not resident in Hong Kong who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Independent Shareholder and/or CB Holder in respect of such jurisdictions) and, where necessary, consult their own professional advisers.

In the event that the receipt of the Offer Document by overseas Independent Shareholders and/or CB Holders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror), and subject to the Executive's consent, the Offer Document will not be despatched to such overseas Independent Shareholders and/or CB Holders. For that purpose, the Offeror may apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Offer Document to such overseas Independent Shareholders and/or CB Holders. In granting the waiver, the Executive will be concerned to see that all material information in the Offer Document is made available to such Independent Shareholders and/or CB Holders (as applicable). If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of the Independent Shareholders and/or CB Holders not resident in Hong Kong in relation to the terms of the Offers. Such arrangements may include notifying any matter in connection with the Offers to the Independent Shareholders and/or CB Holders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given despite any failure by such Independent Shareholders and/or CB Holders to receive or see that notice.

Shareholding structure of Link Holdings

As at the date of this announcement, the authorised share capital of Link Holdings is HK\$50,000,000 divided into 50,000,000,000 ordinary shares with par value of HK\$0.001 each, and there are 4,188,000,000 Shares in issue. Link Holdings has outstanding Convertible Bonds in the principal amount of HK\$25,278,000 which carry rights to convert into 76,600,000 new Shares in full. The following table sets out the shareholding structure of Link Holdings (i) immediately before the Completion; and (ii) after Completion and as at the date of this announcement (assuming no conversion of the Convertible Bonds into new Shares):

	Immediately before the Completion		After Completion and as at the date of this announcement	
	Number of Shares	Approximately %	Number of Shares	Approximately %
The Offeror	–	–	1,900,000,000	45.37 ^{Note 2}
Vertic	1,900,000,000	54.44	–	–
CMI Financial Holding Company Limited (“CMI”) ^{Note 1}	690,000,000	19.77	690,000,000	16.48 ^{Note 2}
Public Shareholders	900,000,000	25.79	1,598,000,000	38.15
Total	3,490,000,000	100.00	4,188,000,000 ^{Note 2}	100.00

Note:

- As at the date of this announcement, CMI is the holder of the Convertible Bonds with a principal amount of HK\$25,278,000 which carry rights to convert into 76,600,000 new Shares, none of which have been converted.
- Pursuant to the next day disclosure return of Link Holdings dated 17 February 2023, the number of the issued Shares was increased to 4,188,000,000 Shares after conversion of the convertible bonds (the “Conversion”) issued by Link Holdings on 21 June 2020 in the principal amount of HK\$25,128,000. Accordingly, the shareholding of Link Holdings held by the Offeror decreased from approximately 54.44% to 45.37% and the shareholding of Link Holdings held by CMI decreased from approximately 19.77% to 16.48% after the Conversion.

Other arrangements

The Offeror confirms that, as at the date of this announcement:

- save for the Sale Shares acquired under the SPA, neither the Offeror nor parties acting in concert with it own or have control or direction over any voting rights in and rights over any Shares or Convertible Bonds, convertible securities, options or warrants of Link Holdings or any derivatives in respect of such securities;

- (b) the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept or reject the Offers;
- (c) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Offers (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (d) there are no agreements or arrangements to which the Offeror, its ultimate beneficial owners or their respective parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) the Offeror, its ultimate beneficial owners or their respective parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Link Holdings;
- (f) apart from the consideration paid by the Offeror in respect of the Sale Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Joint Liquidator or GJS or Vertic or their respective parties acting in concert with it in connection with the Proposed Sale; and
- (g) save for the MOU and the SPA, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any party acting in concert with it, and the Joint Liquidator or GJS and any party acting in concert with any of them or any other Shareholders; or Link Holdings, its subsidiaries or associated companies.

The Offeror further confirms that none of the Offeror and parties acting in concert with it has dealt for value in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares during the six-month period prior to the date of the Rule 3.7 Announcement and from the date of the Rule 3.7 announcement to the date of this announcement.

INFORMATION ON THE OFFEROR

Ace Kingdom Enterprises Corporation is a company incorporated in British Virgin Islands with limited liability, and is a special purpose vehicle established by and owned as to 45% by Boomerang Investment, 35% by Mr. Kwok Yi Chit and 20% by Billion Supreme. Boomerang Investment is ultimately owned as to 40% by Mr. Wong Chun Hung Hanson, 20% by Mr. Yuen Lai Him, 20% by Mr. Wong Hoi Cheung and 20% by Mr. Lui Tin Shun. Billion Supreme is ultimately owned as to 75% by Mr. Yuan and 25% by Mr. Cheng Yang. Mr. Yuan, Mr. Wong Hoi Cheung, Mr. Lui Tin Shun and Mr. Chiu, Kung Chik are the directors of the Offeror.

The biographical details of the directors of the Offeror are as follows:

Mr. Yuan, aged 34, has over 12 years of experience in the investment sector in the PRC. He worked for a private equity investment company in the PRC from 2015 to 2021 and the equity investment department of an insurance company in the PRC from 2010 to 2014.

Mr. Wong Hoi Cheung, aged 48, has over 18 years of experience in financial sector in Hong Kong. He is the founder and chief executive officer of (i) Tiger Faith Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO with its principal business being securities dealing and fund raising; and (ii) Tiger Faith Asset Management Limited, a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO with its principal business being investment advisory and asset management services. He is also the founder of Rabbit Credit Limited, a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) with its principal business being money lending.

Mr. Lui Tin Shun, aged 41, has over 15 years of experience in corporate finance and investment industry. Mr. Lui is the director of a company which focuses on overseas real estate and provision of consultancy services. He is also a senior consultant of a family office which mainly invests in the United Kingdom and Japan, and directly participated in a number of real estate investments in Japan, the PRC and other places.

Mr. Chiu, Kung Chik, aged 38, has over 10 years of experience in investment banking, capital financing, corporate restructuring and merger and acquisition. Mr. Chiu is currently an independent non-executive director of GoFintech Innovation Limited, a company listed on the Stock Exchange (stock code: 290) and Shandong Hi-Speed New Energy Group Limited, a company listed on the Stock Exchange (stock code: 1250). Mr. Chiu worked for an investment bank, primarily focused on advising large scale corporate clients on their capital market activities.

THE SHAREHOLDERS' AGREEMENT

On 13 February 2023, Boomerang Investment, Billion Supreme, Mr. Kwok Yi Chit, being the shareholders of the Offeror, and the Offeror have entered into the Shareholders' Agreement to govern the shareholders' relationships in respect of their shareholdings and other interests in the Offeror. The principal terms of the Shareholders' Agreement are summarised as follows.

Business of the Offeror

The Offeror will be managed and operated as an investment holding company for the purpose of investing in and owning the shares of Link Holdings (the “**Offeror’s Business**”).

Board composition

The initial number of directors in the Offeror shall be four (4), of which Boomerang Investment shall have the right to nominate two (2) directors and Billion Supreme and Mr. Kwok Yi Chit shall have the right to nominate two (2) directors. One of the directors shall be appointed as chairman of the board (who shall preside as chairman at every meeting of the board or general meeting of the Offeror). The chairman of the Offeror’s Board shall not be entitled to a second or casting vote in any meeting of the Offeror’s Board or general meeting of the Offeror.

The quorum for a meeting of the Offeror’s Board is the presence of any two (2) directors including at least one (1) director appointed by Boomerang Investment and one (1) director appointed by Billion Supreme and Mr. Kwok Yi Chit. All decisions of the Offeror’s Board (other than the Reserved Matters (as defined below)) shall (a) only be put to a vote if there is an equal number of directors representing (i) Boomerang Investment; and (ii) Billion Supreme and Mr. Kwok Yi Chit; and (b) be passed by simple majority vote of the directors present at a meeting of the Offeror’s Board. The Shareholders’ Agreement does not contain any deadlock resolution mechanism.

Shareholders’ decisions

Unless otherwise expressly specified in the Shareholders’ Agreement, the quorum for a meeting of the shareholders of the Offeror is the presence of all its shareholders. All resolutions arising at any general meeting of the Offeror (including with respect to any matter required under applicable laws to be approved by a resolution of shareholders) shall be passed by the affirmative vote of shareholder(s) holding more than 75% of the shares of the Offeror, either in the form of written shareholder resolutions or at a general meeting with the shareholders personally present or represented by proxy, attorney or representative appointed in accordance with applicable laws, and entitled to vote at such general meeting, unless otherwise expressly specified in the Shareholders’ Agreement. Based on the current shareholding structure of the Offeror, this implies that all resolutions arising at any general meeting of the Offeror must have the approval of Boomerang Investment and Mr. Kwok Yi Chit.

Reserve matters

Unless otherwise expressly specified in the Shareholders' Agreement, to the extent permitted by applicable laws, each shareholder of the Offeror undertakes to exercise all his/her/its powers as a shareholder or otherwise as to procure that, the Offeror does not take any actions or make any decision in respect of any of the following reserved matters (or anything which is analogous or has a substantially similar effect to any of such matters) (the "**Reserved Matters**") without Unanimous Consent:

- (a) any alteration or amendment to the memorandum and articles of association of the Offeror;
- (b) any change to the nature of the Offeror's Business or addition of any new business segments or activities of the Offeror;
- (c) any allotment or issuance of shares or other securities by the Offeror and any alteration to, or abrogation of, the rights conferred by the shares or other securities of the Offeror;
- (d) any repurchase, cancellation or redemption of its share capital or any reduction, consolidation, subdivision or reclassification or other alteration or reorganisation of the Offeror's capital structure or any variation or modification of any rights attaching to any shares or other securities of the Offeror;
- (e) the incurrence by the Offeror of any loans, borrowings or indebtedness from banks, financial institutions or any other persons or entities, including but not limited to the undertaking of or involvement in any margin financing activities;
- (f) the giving of, or otherwise incurring of liabilities or obligations in respect of, any guarantee or indemnity by the Offeror in support of or in connection with any loans, borrowings or indebtedness;
- (g) the creation of any encumbrance over all or any of the undertakings, assets or rights of the Offeror, whether in support of or in connection with any loans, borrowings or indebtedness or otherwise;
- (h) any acquisition or disposal of any (a) shares or any other equity securities in Link Holdings; and (b) options, warrants, notes, bonds or other securities (i) convertible into, or exchangeable for, shares or any other equity securities in Link Holdings or (ii) containing equity or profit participation features;
- (i) the exercise of any shareholder's rights in Link Holdings, including but not limited to the right to nominate or appoint directors of Link Holdings (if any) and the exercise of voting rights in general meetings of Link Holdings;
- (j) the opening of any bank and/or securities accounts with any banks or financial institutions, the designation of any authorised signatories therefor and any instructions given to operate and manage such bank and/or securities accounts;

- (k) the passing of any resolution to wind up the Offeror, or the filing of any petition for the winding-up of the Offeror, or the entry into or the proposal of any arrangement or composition with the creditors of the Offeror; and
- (l) the application for an administration order or appointing a receiver or administrator in respect of the Offeror.

If the approval of the shareholders of the Offeror is required under applicable law or pursuant to the memorandum and articles of association of the Offeror for any Reserved Matter, a resolution to approve such matters shall be presented to the shareholders of the Offeror and a shareholders' meeting of the Offeror shall be called to approve such matters only after the obtaining of the Unanimous Consent.

Transfer restrictions

Without the prior written consent of all the shareholders of the Offeror, no transfer of shares in the Offeror by a shareholder of the Offeror is permitted except for one which terms are determined:

- (a) through a mechanism to be agreed by all the shareholders of the Offeror; and
- (b) in accordance with the terms of the Shareholders' Agreement.

INTENTIONS OF THE OFFEROR IN RELATION TO LINK HOLDINGS

Link Holdings is an investment holding and its subsidiaries are principally engaged in hotel ownership, operation of hotel services, distressed debt assets management business and property investment.

Following the close of the Offers, the Offeror intends to continue the existing principal businesses of Link Holdings Group. The Offeror will conduct a detailed review of the existing principal business operations and financial position of Link Holdings Group for the purpose of formulating a sustainable business plan or strategy for Link Holdings Group's future development. Subject to the results of the review, the Offeror may look into business and investment opportunities in different business areas and geographical locations and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, and/or restructuring of the business will be appropriate in order to enhance the long-term growth potential of Link Holdings Group.

Should such corporate actions materialise, further announcement(s) will be made by Link Holdings in accordance with the Listing Rules as and when appropriate. Notwithstanding the above, as at the date of this announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into Link Holdings Group, and the Offeror has no intention to discontinue the employment of the employees (save for the proposed changes to the board composition of Link Holdings as described in the section headed "Proposed Change of Board Composition of Link Holdings" below) or to dispose of or re-deploy the assets of Link Holdings Group other than those in its ordinary course of business.

Proposed Change of Board Composition of Link Holdings

Following completion of the Offers, the Offeror intends to nominate candidates to be director(s) of Link Holdings. Any changes to the board of directors of Link Holdings will be made in compliance with the Takeovers Code, the Listing Rules and the constitutional documents of Link Holdings. Further announcement(s) will be made upon the appointment of new director(s) of Link Holdings accordingly.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF LINK HOLDINGS

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to Link Holdings, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares. The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that sufficient public float exists in the Shares after the close of the Offers under Rule 8.08 of the Listing Rules.

DESPATCH OF THE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document which contains, among other things, further details of the Offers within twenty-one (21) days after the date of this announcement, or such later date as the Executive may approve.

Pursuant to Rule 8.4 of the Takeovers Code, Link Holdings is required to despatch an offeree board circular containing, among other things, the letter from the board, the recommendations from the independent board committee of Link Holdings to the Independent Shareholders and the advice and recommendations from the independent financial adviser to the independent board committee of Link Holdings within 14 days of the publication of the Offer Document.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Offeror and of Link Holdings (including persons holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by Link Holdings or the Offeror) are reminded to disclose their dealings in the securities of Link Holdings.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: The Offers are conditional. Accordingly, the Offers may or may not become unconditional. Shareholders, CB Holders and potential investors of Link Holdings are advised to exercise caution when dealing in the securities of Link Holdings. Persons who are in any doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

If the total number of the Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide and the Executive may approve) under the Share Offer, together with the Shares acquired by the Offeror or parties acting in concert with it before or during the Offers, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of Link Holdings, the Offers will not become unconditional and will lapse.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“acting in concert ”	has the meaning given to it in the Takeovers Code
“associate(s)”	has the meaning given to it in the Takeovers Code
“Billion Supreme”	Billion Supreme Holdings Limited, a company incorporated in British Virgin Islands and the total issued share capital of which is owned as to 75% by Mr. Yuan and 25% by Mr. Cheng Yang
“Boomerang Investment”	Boomerang Investment Limited, a company incorporated in Hong Kong and the total issued shares capital of which is owned as to 40% by Mr. Wong Chun Hung Hanson, 20% by Mr. Wong Hoi Cheung, 20% by Mr. Yuen Lai Him and 20% by Mr. Lui Tin Shun
“Business Day(s)”	a day(s) on which the Stock Exchange is open for the transaction of business
“CB Holder(s)”	the holder(s) of the Convertible Bond(s) from time to time
“CB Offer”	the mandatory unconditional cash offer to be made by Octal Capital on behalf of the Offeror to acquire all the outstanding Convertible Bonds not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code as a result of the Completion
“Completion”	completion of the Proposed Sale in accordance with the terms of the SPA
“Convertible Bond(s)”	the convertible bonds issued by Link Holdings on 8 October 2015 in the principal amount of HK\$25,278,000
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Extended Closing Date”	the date which is 60 calendar days after the date of the despatch of the Offer Document, unless the date has been extended by the Offeror with the consent of the board of directors of Link Holdings and the Executive pursuant to Rule 15.5 of the Takeovers Code
“Facility Letter”	a facility letter dated 7 July 2015 (as supplemented by a further facility letter dated 27 July 2015) entered between GJS and Vertic
“First Closing Date”	the date to be stated in the Offer Document as the first closing date of the Offer, which is 21 calendar days after the date of the despatch of the Offer Document, or any subsequent closing date of the Offers as may be extended in accordance with the Takeovers Code
“GJS”	Guotai Junan Securities (Hong Kong) Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholder(s) other than the Offeror and parties acting in concert with it
“Joint Liquidator(s)”	Mr. Yeung Lui Ming of Deloitte Touche Tohmatsu and Ms. Wong Siow Chuen of Deloitte & Touche Financial Advisory Services Limited, Guangzhou Branch
“Last Trading Day”	13 February 2023 being the last day on which the Shares were traded on the Stock Exchange prior to the publication of this announcement pursuant to Rule 3.5 of the Takeovers Code
“Link Holdings”	Link Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8237)
“Link Holdings Group”	Link Holdings and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“MOU”	the memorandum of understanding dated 9 January 2023 entered between Vertic, Boomerang Investment, Chen Changzheng, Mr. Yuan, Mr. Cheng Yang and Mr. Kwok Yi Chit, and the particulars of which have been disclosed in the Rule 3.7 Announcement and the announcement of Link Holdings dated 12 January 2023
“Octal Capital”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, who has been appointed as the financial adviser to the Offeror
“Offeror”	Ace Kingdom Enterprises Corporation, a company incorporated in British Virgin Islands with limited liability, which is owned as to 45% by Boomerang Investment, 35% by Mr. Kwok Yi Chit and 20% by Billion Supreme
“Offeror’s Board”	the board of directors of the Offeror
“Offers”	the Share Offer and the CB Offer
“Offer Document”	the document required to be issued by the Offeror to all Shareholder(s) and CB Holder(s) in accordance with the Takeovers Code containing, <i>inter alia</i> , details of the Offers and the terms and conditions of the Offers
“Offer Share(s)”	the Shares which are subject to the Share Offer
“PRC”	the People’s Republic of China, which expression, solely for the purpose of construing this announcement, does not include Hong Kong, Macau Special Administrative Region or Taiwan
“Proposed Sale”	the proposed sale of the Sale Shares by Vertic to the Offeror pursuant to the SPA
“Rule 3.7 Announcement”	the announcement of Link Holdings dated 10 January 2023 in relation to, among other things, the entering into of the MOU between the Offeror and Vertic in relation to the Proposed Sale
“Sale Shares”	1,900,000,000 Shares, representing approximately 45.37% of the total issued share capital of Link Holdings as at the date of this announcement, acquired by the Offeror from Vertic

“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory conditional cash offer to be made by Octal Capital on behalf of the Offeror to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code as a result of the Completion
“Share Offer Price”	HK\$0.0195 per Offer Share
“Share(s)”	ordinary shares in the issued share capital of Link Holdings
“Shareholder(s)”	holders of the Shares
“Shareholders’ Agreement”	means the shareholders’ agreement dated 13 February 2023 entered into among Boomerang Investment, Billion Supreme, Mr. Kwok Yi Chit, being the shareholders of the Offeror, and the Offeror pursuant to which the said shareholders agree to govern their relationships in respect of their shareholdings and other interests in the Offeror
“SPA”	the sale and purchase agreement dated 13 February 2023 entered into between the Offeror as purchaser and Vertic as seller in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unanimous Consent”	consent or approval given by or on behalf of all the directors of the Offeror or an agreement reached between all the directors of the Offeror, which consent, approval or agreement of the directors of the Offeror may be given by way of a unanimous resolution passed by all the directors at a meeting of the Offeror Board or by a written resolution of all the directors of the Offeror, as the case may be

“Vertic”

Vertic Holdings Limited (In Liquidation), a company incorporated in the British Virgin Islands with limited liability, which was a controlling Shareholder of Link Holdings immediately prior to the Completion

“%”

per cent.

On behalf of the board of
Ace Kingdom Enterprises Corporation
Mr. Wong Hoi Cheung **Mr. Chiu, Kung Chik**
Director *Director*

Hong Kong, 23 February 2023

As at the date of this announcement, the directors of the Offeror are Mr. Yuan, Tianfu (袁天夫), Mr. Wong Hoi Cheung (王海翔), Mr. Lui Tin Shun (吕天舜) and Mr. Chiu, Kung Chik (趙公直).

The directors of the Offeror accept full responsibility for the accuracy of the information contained in this announcement, and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

The information relating to Link Holdings Group in this announcement has been extracted from or based on the published information of Link Holdings. The only responsibility accepted by the Offeror in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.