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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)

PROFIT WARNING

This announcement is made by Link Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board and the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**Year**”), the Group is expected to record a substantial increase in loss attributable to owners of the Company to not less than HK\$50 million (2018: loss of approximately HK\$3.3 million). Such substantial increase in loss was mainly due to, among others, (i) the recognition of negative revenue from the Group’s distressed debt assets (i.e. income from distressed debt assets classified as receivables less modification loss) as compared to the positive revenue recorded for the last year, and the record of an impairment loss on the Group’s distressed debt assets in the PRC in view of the slow recoverability during the Year and the anticipated decrease in value realisable underlying the current downtrend of the PRC economy, which together resulted in a substantial segment loss for the Group’s distressed debt assets management business for the Year; and (ii) the incurring of operating loss in respect of the Group’s newly opened spa hotel in Japan during its initial stage of operation. The aforesaid impairment loss is only based on a preliminary assessment of the value of the investment, and is subject to change upon finalisation of the Group’s annual results for the Year.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts for the Year and information currently available to the Board which has not been audited or reviewed by the auditors or audit committee of the Company and is subject to possible adjustments upon further review. Shareholders and potential investors are advised to read the announcement of the Company in relation to the annual results of the Group for the Year carefully.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 March 2020

As at the date of this announcement, the executive Directors are Mr. Ngan Iek and Datuk Siew Pek Tho; the non-executive Directors are Ms. Ngan Iek Peng, Mr. Zhao Guoming and Ms. Zhang Shuo; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Chan So Kuen and Mr. Lai Yang Chau, Eugene.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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*