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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)

ANNOUNCEMENT

SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report (the “**Annual Report**”) for the year ended 31 December 2019 (“**FY2019**”) of Link Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) published on 14 May 2020. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

As disclosed in the independent auditor’s report included in the Annual Report, the auditor of the Company issued a disclaimer of opinion with basis related to (i) the appropriateness of the assumption regarding the Company’s ability to continue as a going concern (the “**Audit Qualification on Going Concern**”); and (ii) the scope limitation and disagreement in accounting treatment on the Group’s interest in an associate (namely, Kang Ming De) (the “**Audit Qualification on an Associate**”). The Board would like to provide the following supplemental information:

Audit Qualification on Going Concern

The Group has been undertaking a number of measures to improve its liquidity and financial position to address the Audit Qualification on Going Concern, including:

- (1) the Group cooperated with the review by the lending bank (the “**Lending Bank**”) on its instalment loans, and passed the annual credit assessment conducted by the Lending Bank in March 2020, and the next credit assessment will be conducted in March 2021;
- (2) in line with the Singapore government’s initiatives amid the COVID-19 pandemic, the Lending Bank agreed to allow the Group to repay the interest only and suspend the repayment of the principal of the instalment loans for a period of six months since March 2020;
- (3) the Group arranged smooth rollover/renewal of its revolving loans during the period from January to April 2020, and made the interest payment for the revolving loans as requested by the Lending Bank on time;
- (4) the Group is given to understand, based on its recent communication with the Lending Bank, that there is no change of the bank’s intention for continuing the renewal of the revolving loans for the moment;

- (5) the Group has been communicating with the contractor for alternative methods to settle the construction payables, including the extension of the repayment of the construction payable for more than 12 months or otherwise revising the repayment schedule so as to reduce the liquidity pressure to the Group. Further details will be discussed with the contractor in late May or June 2020;
- (6) Mr. Ngan Iek, the executive Director, has principally agreed to execute a legally-binding undertaking pursuant to which Mr. Ngan will not request for repayment of the amount due to him during the 12 months from the date of the legally-binding undertaking, unless the Group has obtained funding from other sources and is in a position to meet all repayment obligations at the time. The Group is currently negotiating the detailed terms of his legally-binding undertaking;
- (7) the Group will apply/has applied for the COVID-19 related subsidies applicable to Link Hotel, including salary subsidies, property tax relief, levy fee for foreign workers and costs of hotel sterilization, which will reduce the operation costs of the Group to a certain extent;
- (8) the Company has recently met with an international bank for other bank loan facilities. Pursuant to the Company's understanding, the Group's investment properties in Bintan and the freehold lands with hotel property located in Japan may be used as collaterals of the bank loan facilities;
- (9) in order to expedite the negotiation with potential purchaser(s) regarding the Group's disposal of the distressed debt assets to generate cash flow and strengthen the Group's liquidity position, the Group has engaged a valuer to prepare a valuation report on the distressed debt assets for reference; and
- (10) the Company intends to redeem the convertible bonds which will mature in November 2020 by its internal resources or seeking external funding, based on the financial position and the cash flow of the Group in about September 2020.

Audit Qualification on an Associate

The Company has been keeping in touch with the management of Kang Ming De for its status of operation amid the COVID-19 pandemic. Based on the Company's understanding, Kang Ming De has resumed operation, and most of the staff members of the finance department of Kang Ming De have returned to work and have substantially completed the FY2019 financial results based on its domestic accounting standards, which is subject to the review and adjustment (if necessary) by the person in charge of the finance department of Kang Ming De to facilitate the reporting requirements of the Group. The management of Kang Ming De has agreed to cooperate with the Group in providing the financial information of FY2019 to facilitate the audit work of the Group's auditor and provide the relevant financial information by mid-July 2020.

The additional information set out above does not affect other information contained in the Annual Report and the contents of the Annual Report remain unchanged.

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

Hong Kong, 29 May 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 Mr. Lin Jianguo, 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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*