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BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8617)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Best Linking Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) 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 (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). 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.*

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2020 (the “**Reporting Period**”), which has been reviewed by the audit committee of the Company, together with the comparative unaudited figures for the corresponding periods in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2020

	Note	Three months ended 30 September		Nine months ended 30 September	
		2020 HKD'000 (unaudited)	2019 HKD'000 (unaudited)	2020 HKD'000 (unaudited)	2019 HKD'000 (unaudited)
Revenue	3	30,282	21,896	52,916	54,756
Cost of sales		(18,826)	(12,925)	(33,147)	(29,765)
Gross profit		11,456	8,971	19,769	24,991
Other income		78	–	462	336
Other (losses)/gains, net		(92)	631	(174)	487
Selling and distribution expenses		(238)	(248)	(411)	(606)
Administrative expenses		(3,186)	(901)	(7,099)	(14,668)
Operating profit		8,018	8,453	12,547	10,540
Finance income		41	3	53	6
Finance expenses		(34)	–	(100)	(99)
Finance income/(expenses), net		7	3	(47)	(93)
Profit before income tax	4	8,025	8,456	12,500	10,447
Income tax expense	5	(1,385)	(1,471)	(2,205)	(3,040)
Profit for the period		6,640	6,985	10,295	7,407

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
Note	HKD'000	HKD'000	HKD'000	HKD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	<u>1,554</u>	<u>(1,156)</u>	<u>773</u>	<u>(1,434)</u>
Total comprehensive income for the period	<u>8,194</u>	<u>5,829</u>	<u>11,068</u>	<u>5,973</u>
Attributable to:				
Shareholders of the Company	<u>8,194</u>	<u>5,829</u>	<u>11,068</u>	<u>5,973</u>
Earnings per share for profit attributable to shareholders of the Company for the period				
Basic and diluted earnings per share (HK cents per share)	6 <u>1.66</u>	<u>2.33</u>	<u>2.57</u>	<u>2.47</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Share capital HK\$'000	Combined capital HK\$'000	Attributable to owners of the Company				Retained earnings HK\$'000	Total HK\$'000
			Share premium HK\$'000	Capital reserve HK\$'000 Note a	Statutory reserve HK\$'000 Note b	Exchange reserve HK\$'000 Note c		
Balance at 1 January 2019 (audited)	-	-	-	13,000	1,222	55	25,338	39,615
Profit for the period	-	-	-	-	-	-	7,407	7,407
Other comprehensive loss								
Currency translation differences	-	-	-	-	-	(1,434)	-	(1,434)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(1,434)	7,407	5,973
Transactions with equity holders:								
Issuance of ordinary shares pursuant to the capitalisation	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to the listing	-	-	-	-	-	-	-	-
Listing related expenses charged to share premium	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	929	-	(929)	-
	-	-	-	-	929	-	(929)	-
Balance at 30 September 2019 (unaudited)	-	-	-	13,000	2,151	(1,379)	31,816	45,588

	Share capital HK\$'000	Combined capital HK\$'000	Attributable to owners of the Company				Retained earnings HK\$'000	Total HK\$'000
			Share premium HK\$'000	Capital reserve HK\$'000 Note a	Statutory reserve HK\$'000 Note b	Exchange reserve HK\$'000 Note c		
Balance at 1 January 2020 (audited)	4,000	–	42,511	13,000	2,170	(636)	31,353	92,398
Profit for the period	–	–	–	–	–	–	10,295	10,295
Other comprehensive income								
Currency translation differences	–	–	–	–	–	773	–	773
Total comprehensive income for the period	–	–	–	–	–	773	10,295	11,068
Transactions with equity holders:								
Issuance of ordinary shares pursuant to the capitalisation	–	–	–	–	–	–	–	–
Issuance of ordinary shares pursuant to the listing	–	–	–	–	–	–	–	–
Listing related expenses charged to share premium	–	–	–	–	–	–	–	–
Dividend paid	–	–	(8,000)	–	–	–	–	(8,000)
Transfer to statutory reserve	–	–	–	–	372	–	(372)	–
	–	–	(8,000)	–	372	–	(372)	(8,000)
Balance at 30 September 2020 (unaudited)	4,000	–	34,511	13,000	2,542	137	41,276	95,466

Notes:

(a) Capital reserve

Capital reserve of the Group represents the difference between the share capital of the subsidiaries acquired pursuant to the reorganisation over the nominal value of the share capital of the Company issued in exchange thereof.

(b) Statutory reserve

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after Income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profit after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operation or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(c) Exchange reserve

Exchange reserve of the Group comprises all currency translation differences arising from translation difference of the financial statements of the Group's subsidiary in the PRC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 October 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of slewing rings and machinery products. The ultimate holding company of the Company is C Centrum Holdings Limited ("C Centrum"). The ultimate shareholder of the Group is Mr. Chan Yuk Pan ("Mr. YP Chan").

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance (Cap. 622). The condensed consolidated financial statements have been prepared under historical cost convention.

The preparation of unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.1.1 New and amended standards and interpretations

(a) New and amended standards and interpretations adopted by the company

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

HKFRS 3 (Amendment)	Definition of a Business	1 January 2020
HKAS 1 and HKAS 8 (Amendment)	Definition of Material	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020

- (b) New and amended standards and interpretations which have been issued but are not yet effective and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 17	Insurance Contracts	1 January 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

3 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive Directors.

Management has determined the operating segments based on the information reviewed by our executive Directors for the purpose of allocating resources and assessing performance. The only component in internal reporting to the executive Directors is our Group's manufacturing of slewing rings and machinery products for both periods. In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 "Operating Segments".

The performance of the operating segment is assessed by our executive Directors based on a measure of revenue and gross profit.

4 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Cost of inventories and consumable	15,983	13,877	27,589	23,334
Wages, salaries, bonuses and other benefits	2,232	2,676	5,773	6,274
Pension costs — defined contribution plans	74	182	320	538
Mandatory provident fund scheme	15	21	44	49
Employee benefit expenses, including directors' emoluments	2,321	2,879	6,137	6,861
Amortisation	15	—	42	1
Depreciation	484	360	1,304	1,431
Legal and professional fees	772	12	2,033	46
Listing related expenses	—	588	—	10,654
	19,575	17,716	37,105	42,327

5 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax				
— PRC enterprise income tax	317	739	441	1,300
— Hong Kong profits tax	1,066	732	1,764	1,740
Total current income tax	1,383	1,471	2,205	3,040
Deferred income tax	2	—	—	—
Income tax expense	1,385	1,471	2,205	3,040

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of our Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the capitalisation of shares.

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit attributable to equity holders of our Company (HK\$'000)	6,640	6,985	10,295	7,407
Weighted average number of shares in issue (thousand)	400,000	300,000	400,000	300,000
Basic earnings per share (HK cents per share)	1.66	2.33	2.57	2.47

Diluted earnings per share for the Reporting Period were the same as the basic earnings per share as there was no potential dilutive ordinary shares outstanding during the periods.

7 DIVIDENDS

The Board does not recommend the payment of dividend for the Reporting Period.

The Board has declared a final dividend of HK\$8,000,000 at HK\$0.02 per share in respect of the financial year ended 31 December 2019 which was approved at the annual general meeting held on 29 May 2020 (the “**Annual General Meeting**”). The final dividend was despatched to shareholders on 30 June 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a premium manufacturer of slewing rings and also a “one-stop service” provider as it is able to source other slewing rings, machineries and mechanical parts and components for machineries of its customers. A slewing ring is a necessary transmission part for some large-size machineries and equipment, which can ensure the relative rotational motion between objects, as well as bearing the axial force, radial force and tilting moment simultaneously. In order to cope with the Group’s business expansion, the shares of the Company (the “**Shares**”) were successfully listed on GEM of the Stock Exchange on 15 November 2019 (the “**Listing Date**”).

The outbreak of the novel coronavirus (COVID-19) pandemic (the “**COVID-19 outbreak**”) in 2020 and the resulting mandatory extension of holidays in China and quarantine measures taken by multiple countries led to the temporary suspension of operation of the Group’s manufacturing plant. This suspension of operation and the continually challenging local and global market condition had a material impact on the Group’s overall performance and financial results for the Reporting Period. Nevertheless, its production activities resumed in late March 2020. Given the current development of the COVID-19 outbreak, the Group anticipates a challenging year ahead.

Having said that, most recent market trends have revealed that the manufacturing sector has made a swift comeback to near-normal activity level, in terms of production and work resumption in China. It has emerged stronger and healthier after a swift recovery from the public health crisis given that positive signs on the recovery of the COVID-19 outbreak is being contained in China and Hong Kong as the number of confirmed cases continues to decline.

Furthermore, the Group has been developing new products and services by manufacturing other mechanical parts and components for machineries in addition to slewing rings. These new products enable the Group to broaden the scope of its business with existing customers. Such mechanical parts and components are fundamental parts of machineries which the Group sourced for its customers in the past.

Our business has improved quarter-over-quarter during the Reporting Period. In the three months ended 30 September 2020 (“**Q3 2020**”), our top-line revenue grew by approximately 38.3% as compared to the same period in 2019. The overall performance of the Group in Q3 2020 significantly improved from the three months ended 30 June 2020 (“**Q2 2020**”) and returned to a similar level for the same period in 2019. The Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

REVENUE

The Group's revenue decreased by 3.4% or HK\$1.8 million from HK\$54.8 million for the nine months ended 30 September 2019 to HK\$52.9 million for the Reporting Period. However, it increased by 38.3% or HK\$8.4 million from HK\$21.9 million for the three months ended 30 September 2019 to HK\$30.3 million for the three months ended 30 September 2020.

The following table sets forth the breakdown of our revenue by product category for the three months and nine months ended 30 September 2020 and 2019:

	For the three months ended 30 September						For the nine months ended 30 September					
	2020		2019		+ / (-)		2020		2019		+ / (-)	
	HK\$'000 (unaudited)	(%)	HK\$'000 (unaudited)	(%)	HK\$'000	(%)	HK\$'000 (unaudited)	(%)	HK\$'000 (unaudited)	(%)	HK\$'000	(%)
Revenue												
Slewing rings	12,693	41.9	21,254	97.1	(8,561)	-40.3	24,371	46.1	51,928	94.8	(27,557)	-53.1
Other machineries and parts	17,589	58.1	642	2.9	16,947	2639.7	28,545	53.9	2,828	5.2	25,717	909.4
Total	<u>30,282</u>	<u>100.0</u>	<u>21,896</u>	<u>100.0</u>	<u>8,386</u>	<u>38.3</u>	<u>52,916</u>	<u>100.0</u>	<u>54,756</u>	<u>100.0</u>	<u>(1,840)</u>	<u>-3.4</u>
Quantities sold	Sets	(%)	Sets	(%)			Sets	(%)	Sets	(%)		
Slewing rings	1,090	22.8	1,583	98.1	(493)	-31.1	2,272	33.2	2,733	48.6	(461)	-16.9
Other machineries and parts	3,699	77.2	30	1.9	3,669	12230.0	4,579	66.8	2,890	51.4	1,689	58.4
Total	<u>4,789</u>	<u>100.0</u>	<u>1,613</u>	<u>100.0</u>	<u>3,176</u>	<u>196.9</u>	<u>6,851</u>	<u>100.0</u>	<u>5,623</u>	<u>100.0</u>	<u>1,228</u>	<u>21.8</u>

Slewing rings

The Group manufactures slewing rings for local and overseas customers. Revenue from slewing rings dropped by HK\$27.6 million to HK\$24.4 million, representing a decrease of 53.1% for the Reporting Period. The decrease was mainly attributed to the mandatory extension of holidays in China and temporary suspension of operation of the Group's manufacturing plant during the COVID-19 outbreak in Q1 2020 and the crisis continued to have an impact in Q2 2020. Globally, the Group's customers may also face challenging times during the COVID-19 outbreak. The challenges caused by the pandemic have affected the operation and business performance of many industries in many countries in the short run such as Singapore, Malaysia, Japan, the U.S. and other European countries where most of the Group's customers are located.

Market trends for Q3 2020 have revealed that the manufacturing sector has made a swift comeback to near-normal activity level, in terms of production and work resumption in China. Our revenue from slewing rings has narrowed the decrease by HK\$8.6 million, representing a decrease of 40.3%.

The overall quantities of the slewing rings sold for the Reporting Period decreased by 461 sets, representing a decrease of 16.9%.

Other machineries and parts

The Group also sources other slewing rings, machineries and mechanical parts and components for its customers. Such mechanical parts and components included but not limited to undercarriage parts such as track chains, rollers and track shoes. Revenue from the other machineries and parts increased by 909.4% period-on-period or HK\$25.7 million to HK\$28.5 million for the Reporting Period.

Starting in late Q2 2020 and continuing in Q3 2020, the Group has been developing new products and services by manufacturing other mechanical parts and components for machineries besides slewing rings. New products enable the Group to broaden the scope of its business with existing customers. Such mechanical parts and components are fundamental parts of machineries which the Group sourced for its customers in the past.

Our revenue from other machineries and parts has improved quarter-over-quarter during the Reporting Period. It is mainly attributable to the newly developed products and services in manufacturing other mechanical parts and components for machineries, which have expanded the product categories of machineries and parts offered by the Group. Furthermore, the sourcing part of the business in Hong Kong has emerged stronger and healthier after a swift recovery from the public health crisis.

COST OF SALES

The cost of sales primarily consists of cost of inventories and consumables, depreciation on plant and machinery, overheads and direct labour costs relating to the Group's production. The Group's cost of sales increased from HK\$29.8 million for the nine months ended 30 September 2019 by 11.1% or HK\$3.3 million to HK\$33.1 million for the Reporting Period.

There was an increase in the cost of sales despite a decrease in revenue which was primarily driven by the increase of product mix from other machineries and parts for the Reporting Period. The increase in revenue and cost of sales from other machineries and parts had outweighed the impact of decrease in revenue from slewing rings while the gross profit margin for other machineries and parts were comparatively lower than that for slewing rings.

During the Reporting Period, the product mix of slewing rings and other machineries and parts were approximately 46.1% and 53.9%, respectively.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$7.1 million, decreased from HK\$14.7 million for the nine months ended 30 September 2019 by 51.6% or HK\$7.6 million. Such decrease was mainly due to the decrease in non-recurring listing related expenses of approximately HK\$10.7 million, the decrease in staff cost by approximately HK\$0.7 million, and the net increase in other administrative expenses by approximately HK\$3.8 million. Other administrative expenses mainly represent the depreciation and the legal and professional fees, which assisted the Group to enhance its corporate governance and compliance aspects after its listing on GEM of the Stock Exchange on 15 November 2019 (the "**Listing**").

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Profit attributable to shareholders of the Company was approximately HK\$10.3 million for the Reporting Period, as compared to approximately HK\$7.4 million for the nine months ended 30 September 2019. Excluding the non-recurring listing related expenses of approximately HK\$10.7 million, being charged to the unaudited condensed consolidated statement of comprehensive income for the nine months ended 30 September 2019, profit attributable to shareholders of the Company would have been approximately HK\$18.1 million for the corresponding period in 2019.

CHANGE IN USE OF PROCEEDS

On 9 September 2020, the Board resolved to change the use of the net proceeds as set out in the section headed “Future Plans and Proposed Use of Proceeds” in the Prospectus of the Company dated 31 October 2019 (the “**Prospectus**”). Details of the original allocation of the net proceeds, the revised allocation of the net proceeds, the utilisation of the net proceeds as at 30 September 2020 and the remaining balance after the revised allocation of the net proceeds as at 30 September 2020 are set out as follows:

					Amount of Net Proceeds utilized as at 30 September 2020 (HK\$'000)	Amount of Net Proceeds remaining as at 30 September 2020 (HK\$'000)
Intended use of net proceeds	Original percentage of Net Proceeds	Original Net Proceeds (HK\$'000)	Revised percentage of Net Proceeds	Revised allocation of Net Proceeds (HK\$'000)		
1 To acquire and replace machineries and equipment with an aim to enhance and expand our production capacity at our production facilities in Dongguan, the PRC	60.6%	17,210	60.6%	17,210	(3,403)	13,807
2 To enlarge our market share and strengthen our marketing efforts	14.6%	4,146	4.4%	1,246	(137)	1,109
3 To increase our level of automation	7.6%	2,158	7.6%	2,158	–	2,158
4 To establish our ERP system	6.0%	1,704	6.0%	1,704	–	1,704
5 To expand our finance department	5.0%	1,420	5.0%	1,420	(4)	1,416
6 To enhance staff training	0.8%	227	0.8%	227	(7)	220
7 Working capital	5.4%	1,535	15.6%	4,435	(1,529)	2,906
Total	100.0%	28,400	100.0%	28,400	(5,080)	23,320

The details of the re-allocation of the use of proceeds was set out in the announcement of the Company dated 9 September 2020.

PROSPECTS

Notwithstanding the current development of the COVID-19 outbreak, the Group's production activities already resumed in late March 2020. The Group anticipates a challenging year ahead.

In Q3 2020, most recent market trends have revealed that the manufacturing sector has made a swift comeback to near-normal activity level, in terms of production and work resumption in China. Meanwhile, the Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

The Group's goal is to strengthen its position as a premium slewing ring manufacturer, and to leverage on its competitive advantages to expand the scale of its operation and increase its profit margin. The Group also aim to increase its competitiveness in this fragmented slewing rings manufacturing industry by (i) increasing its efficiency and productivity; (ii) raising the quality of its products; and (iii) reducing its costs of production and its reliance on manpower. To achieve such objective, the Group will continue to implement the following strategies:

- acquiring and replacing machineries and equipment with an aim to enhance and expand its production capacity at its production facilities in Dongguan, the PRC;
- enlarging its market share and strengthening its marketing efforts;
- increasing its level of automation;
- establishing its enterprise resource planning (ERP) system;
- expanding its finance department; and
- enhancing staff training.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' and Chief Executive Interests in Shares and Share Options

As at 30 September 2020, the interests or short positions of the Directors and the chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in shares and underlying shares of Company

Name of substantial shareholder capacity/nature of interest	Total number of share(s) held	Percentage of interest in our Company's issued capital
Mr. YP Chan's interest in controlled corporation ^(Note 1)	300,000,000 share (L) ^(Note 2)	75%

Note 1: Mr. YP Chan legally and beneficially owns the entire issued share of C Centrum Holdings Limited ("C Centrum") and is its sole director. Accordingly, Mr. YP Chan is deemed to be interested in the Shares held by C Centrum by virtue of the SFO.

Note 2: The letter "L" denotes "Long position" in such shares.

Save as disclosed above, as at 30 September 2020, none of the Directors or chief executives has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which he was taken or deemed to have under provision of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholder's Interests in Shares and Share Options

As at 30 September 2020, so far as known by the Directors, the following persons/entities (not being a Director or chief executive of the Company) have an interest or a short position in shares or underlying shares and debentures of the Company and its associated corporation which would be required to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of substantial shareholder capacity	Nature of Interest	Total number of share(s) held	Percentage of interest in our Company's issued capital
C Centrum ^(Note 1)	Beneficial owner	300,000,000 share (L) ^(Note 3)	75%
Ms. Leung Tak Yee ^(Note 2)	Interest of spouse	300,000,000 share (L) ^(Note 3)	75%

Note 1: The entire issued shares of C Centrum is legally beneficially owned by Mr. YP Chan. Accordingly, Mr. YP Chan is deemed to be interested in the 300,000,000 Shares held by C Centrum by virtue of the SFO.

Note 2: Ms. Leung Tak Yee is the spouse of Mr. YP Chan and is deemed to be interested in all the underlying Shares that Mr. YP Chan is interested through C Centrum by virtue of the SFO.

Note 3: The letter "L" denotes "Long position" in such shares.

Save as disclosed above, as at 30 September 2020, no other person (other than Director or chief executive of the Company) had any interest or short position in the Shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALES AND REDEMPTION OF SHARES

Save as disclosed in the section headed "History, Reorganisation and Group Structure" in the Prospectus, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

On 10 September 2020, Best Linking Limited (“**Best Linking**”), an indirect wholly-owned subsidiary of the Company, as borrower; DBS Bank (Hong Kong) Limited (“**Lender**”) as lender; and the Company as corporate guarantor, entered into a banking facility letter (the “**Facility Letter**”) under which the Lender agreed to make available to Best Linking a trading facility, of up to HK\$8,000,000 (the “**Facility**”), on the terms and conditions therein contained, including the Lender’s right to review any time and the Lender’s customary overriding right to demand repayment, as well as the right to call for cash cover on demand for prospective or contingent liability.

Pursuant to the terms of the Facility Letter, among other things, during the term of the Facility Letter, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. YP Chan, the controlling shareholder of the Company, to remain as the director of the Company and Best Linking; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% beneficial interest of the Company and Best Linking. As at the date of this announcement, Mr. YP Chan’s beneficial interest in each of the Company and Best Linking is 75%.

Please refer to the announcement of the Company dated 10 September 2020 for more details.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”), which was approved by written resolutions passed by the sole shareholder on 21 October 2019 and became unconditional on 15 November 2019. The Directors consider the purpose of the Share Option Scheme is to reward the participants defined under the Share Option Scheme for their past contribution to the success of the Group and to provide incentive to them to further contribute to the Group. The principal terms of the Share Option Scheme are summarized under the paragraph headed “13. Share Option Scheme” in Appendix IV to the Prospectus and in accordance with the provisions of Chapter 21 of the GEM Listing Rules. No share option has been granted under Share Option Scheme since its adoption.

DIVIDEND

The Board does not recommend the payment of any dividend for the Reporting Period (for the nine months ended 30 September 2019: nil).

The Board declared a final dividend of HK\$8,000,000 at HK\$0.02 per Share in respect of the financial year ended 31 December 2019 which was approved at the Annual General Meeting. The final dividend was despatched to the shareholders on 30 June 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors nor their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the period from the Listing Date up to the date of this announcement.

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, LY Capital Limited ("**LY Capital**"), neither LY Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and LY Capital on 27 March 2019) as at 30 September 2020.

CODE OF CONDUCT FOR SECURITIES BY DIRECTORS

The Group has adopted a code of conduct regulating the securities transactions of the Directors, its employees, and the directors and employees of its subsidiaries and holding companies, who may likely possess inside information of the Company or its securities, Directors and executive officers on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). Having made specific enquiry with all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Model Code during the Reporting Period.

CODE ON CORPORATE GOVERNANCE

The Company recognizes that good corporate governance is vital to the success of the Group and to sustain the development of the Group. The Company aims at complying with, where appropriate, all code provisions ("**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. The Company's corporate governance practices are based on the principles and the Code Provisions set out in the CG Code of the GEM Listing Rules. Throughout the reporting period, the Company has complied, to the extent applicable and permissible, with all Code Provisions set out in CG Code with the exception of Code A.2.1. Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YP Chan currently holds both positions for the Reporting Period and up to the date of this announcement. As Mr. YP Chan has been responsible for the overall management of the Group, including strategic planning as well as sales and business development, the Board considered that Mr. YP Chan is the suitable candidate to continue to hold both positions.

AUDIT COMMITTEE

The Company established an audit committee on 21 October 2019 with written terms of reference in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules and paragraphs C3.3 and C3.7 of the CG Code. The audit committee comprises three independent non-executive Directors, namely Mr. Chan Wan Tsun Adrian Alan, Ms. Tam Ho Ting and Ms. Tsang Hau Lam. Mr. Chan Wan Tsun Adrian Alan is the chairman of the audit committee. The Company's audit committee has reviewed the accounting policies and practices adopted by the Group and has discussed with the management regarding the auditing and financial reporting matters. The audit committee has discussed and reviewed the unaudited condensed consolidated financial statements for the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed, the Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

After the outbreak of the COVID-19 pandemic in early 2020, a series of precautionary and control measures have been and will continue to be implemented across Hong Kong and the PRC. The Board is of the view that the ultimate impact of the virus on the Group's business is uncertain and beyond prediction as it will be highly dependent on the future development of the pandemic. The Board will closely and continuously monitor the situation and assess the impact the COVID-19 pandemic will have on the Group.

By order of the Board
Best Linking Group Holdings Limited
Chan Yuk Pan
Chairman

Hong Kong, 9 November 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Chan Yuk Pan and Mr. Chan Lung Pan; and the independent non-executive Directors of the Company are Mr. Chan Wan Tsun Adrian Alan, Ms. Tsang Hau Lam and Ms. Tam Ho Ting.

This announcement will remain on the "Latest Listed Company Information" page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at www.blg.hk.