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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)

(1) RESUMPTION GUIDANCE; (2) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND (3) CONTINUED SUSPENSION OF TRADING

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 GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

References are made to (i) the announcements of the Company dated 23 March 2023 and 10 May 2023 in relation to, among other things, the delay in the publication of audited annual results of the Group for the year ended 31 December 2022 (the “**2022 Audited Annual Results**”); (ii) the announcement of the Company dated 3 April 2023 in relation to the suspension of trading in the shares of the Company on the Stock Exchange; (iii) the announcements of the Company dated 31 March 2023 and 2 April 2023 in relation to the undertakings given by the Company to the High Court of the Hong Kong Special Administrative Region; (iv) the announcements of the Company dated 3 April 2023, 4 April 2023 and 12 April 2023 in relation to the receipt by the Company, HHI and LHI of the Demand Notices issued by DBS Bank demanding for the repayment of the Outstanding Loan and the appointment of receiver and manager in respect of Link Hotel and all other property and assets of HHI; and (v) the announcement of the Company dated 26 June 2023 in relation to, among other things, the Facility Agreement and repayment of the Outstanding Loan as well as the discharge of the receiver and manager in respect of Link Hotel and all other property and assets of HHI (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On 6 July 2023, the Company received a letter from the Stock Exchange setting out the following resumption guidance (the “**Resumption Guidance**”) for the resumption of trading in the Company’s shares:

- (a) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications;
- (b) demonstrate the Company’s compliance with Rule 17.26 of the GEM Listing Rules; and
- (c) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the GEM Listing Rules to the Stock Exchange’s satisfaction before trading in its securities is allowed to resume. The Company has the primary responsibility to devise its action plan for resumption. To assist the Company, the Stock Exchange set out the Resumption Guidance which the Stock Exchange may modify or supplement if the Company’s situation changes.

Further guidance

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 2 April 2024. If the Company fails to remedy the substantive issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the GEM Listing Rules to the Stock Exchange’s satisfaction and resume trading in its shares by 2 April 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing. Under Rules 9.01 and 9.15 of the GEM Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

While trading is suspended, the Company is also reminded of its obligations under the GEM Listing Rules including, but not limited to, the following:

- (i) keep the duration of any trading suspension to the shortest possible period as required under Rule 9.09 of the GEM Listing Rules;
- (ii) comply with its continuing obligations under the GEM Listing Rules at all times, for example, those applying to notifiable and/or connected transactions under Chapters 19 and 20 of the GEM Listing Rules and publication of periodic financial results and reports and, if they are not available, management accounts under Chapter 18 of the GEM Listing Rules;

- (iii) announce inside information required to be disclosed under Part XIVA of the SFO; and
- (iv) announce quarterly updates on its developments under Rule 17.26A of the GEM Listing Rules including, among other relevant matters:
 - its business operations;
 - its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the GEM Listing Rules and resume trading. The resumption plan should be accompanied with a clear timeframe in respect of each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 12-month period expires;
 - the progress of implementing its resumption plan; and
 - details of any material change to the resumption plan and, in the case of delay, the reasons and impact of such delay.

The Company shall announce further quarterly update(s) every 3 months from 2 July 2023 until resumption or cancellation of listing (whichever is earlier).

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules to update its shareholders and potential investors on the progress in complying with the Resumption Guidance.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

(A) BUSINESS OPERATIONS OF THE GROUP

The Group is principally engaged in hotel ownership, operation of hotel services, distressed debt assets management business and property investment.

As disclosed in the first quarterly report of the Company for the three months ended 31 March 2023 (the “**Financial Period**”), the Group continued to stay focused on the operation of its hotel business in Singapore. Link Hotel, being the Group’s principal hotel, in Singapore resumed normal business in April 2022. While the normal business of Link Hotel has been gradually improving, the Group also successfully retained the contract with the local government for using part of the hotel as quarantine accommodation during the Financial Period, which provided the Group with a steady stream of income.

For the Financial Period, the Group recorded an unaudited total revenue from hotel operation of approximately HK\$14.0 million, representing a significant increase of approximately 351.6% as compared to the corresponding period last year.

Regarding the Group's spa hotel in Japan, in view of the then expected difficult operating situation amid the subsisting and uncertain development of the COVID-19 pandemic, the Group's tight financial resources and its non-profitable situation at the material time, the Company temporarily closed the hotel in May 2022 until there is an optimistic anticipation on its profitability. Given that the COVID-19 pandemic restrictions have been gradually lifted in Japan, the Company is pleased to announce that it plans to reopen the spa hotel in Japan within the 3rd quarter of 2023.

(B) UPDATE ON THE PUBLICATION OF THE 2022 AUDITED ANNUAL RESULTS

As disclosed in the announcement of the Company dated 23 March 2023, given the tight cash flow of the Company, it had not fully settled the outstanding audit fee in respect of the audit work performed by the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2021, and thus, the Company was unable to engage the Auditors to commence the audit work for the year ended 31 December 2022 (the “**2022 Audit Engagement**”), pending the full settlement of the outstanding audit fee and the payment of deposit for the audit fee under the 2022 Audit Engagement. The Company was therefore unable to publish the 2022 Audited Annual Results and despatch the 2022 Annual Report on or before 31 March 2023 in compliance with Rules 18.48A and 18.49 of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 10 May 2023, due to the significant changes in the composition of the board (the “**Board**”) of directors (the “**Directors**”) of the Company and the Company's management team, the audit work of the Group to be performed by the Auditors for the year ended 31 December 2022 had been further delayed.

As at the date of this announcement, as the Company has made full settlement of the outstanding audit fee for the year ended 31 December 2021 and payment of deposits for the audit fee under the 2022 Audit Engagement, the Auditors have commenced the audit work of the Group for the year ended 31 December 2022. Accordingly, the 2022 Audited Annual Results and the 2022 Annual Report are expected to be published and despatched by the end of August 2023.

(C) FACILITY AGREEMENT, REPAYMENT OF THE OUTSTANDING LOAN AND DISCHARGE OF THE RECEIVER AND MANAGER IN RESPECT OF LINK HOTEL

As disclosed in the announcement of the Company dated 26 June 2023, on 16 June 2023 and 22 June 2023, HHI, as borrower, and LHI, as operating company and an obligor, entered into the Facility Agreement with the Lender. The Company has obtained the consent from CMI Financial Holdings Co Ltd for the Group to enter into the Facility Agreement (including all ancillary agreements referred therein).

Under the Facility Agreement, the Lender shall make available the Loan Facility to HHI in an amount of S\$55 million bearing a fixed interest rate of 11% per annum, which shall become payable on the date falling one year from the date of drawdown.

On 26 June 2023, S\$55 million had been drawn down under the Facility Agreement to, among others, (i) repay and discharge the aggregate outstanding amounts owed by HHI to DBS Bank under the Outstanding Loan; and (ii) finance the working capital of HHI.

As at the date of this announcement, following full repayment of the Outstanding Loan, the receiver and manager in respect of Link Hotel and all other property and assets of HHI have been discharged.

(D) RESUMPTION PLAN AND PROGRESS

The Company is currently taking all necessary steps to resolve the issues causing the suspension in trading in its shares and to comply with the GEM Listing Rules to the Stock Exchange's satisfaction, and will seek to resume trading in its shares as soon as possible.

Further announcement(s) in relation to its business operations and the status of resumption will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 3 April 2023 pending the release of the annual results of the Company for the year ended 31 December 2022.

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

By order of the Board
Link Holdings Limited
He Dingding
Chief Executive Officer and Executive Director

Hong Kong, 10 July 2023

As at the date of this announcement, the executive Directors are Mr. He Dingding and Mr. Lui Tin Shun; the non-executive Directors are Mr. Wong Chun Hung Hanson and Mr. Chiu Kung Chik; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Chan So Kuen, Mr. Simon Luk, Ms. Tam Mei Chu, Ms. Chan Wai Ki, Joffee and Ms. Liu Lu.

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

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.irasia.com/listco/hk/linkholdings.

* *For identification purpose only*