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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) FULFILMENT OF RESUMPTION GUIDANCE AND
ADDITIONAL RESUMPTION GUIDANCE;
AND
(2) RESUMPTION OF TRADING**

This announcement is made by Link Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO.

References are made to (i) the announcements of the Company dated 23 March 2023, 10 May 2023, 10 July 2023, 9 August 2023, 24 August 2023, 29 September 2023, 31 October 2023 and 29 December 2023 in relation to, among other things, the delay in the publication of the 2022 Audited Annual Results and 2023 Unaudited Interim Results, and despatch of the 2022 Annual Report and 2023 Interim Report; (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 announcement of the Company dated 12 April 2021 in relation to, among other matters, the Company’s failure to redeem the 2020 Convertible Bonds which was due on 30 November 2020; (iv) the announcements of the Company dated 28 March 2023 and 31 March 2023 in relation to, among other matters, the Order against the Company filed by CMI Hong Kong; (v) the announcement of the Company dated 13 September 2023 in relation to the Standstill Agreement entered into with CMI Hong Kong; (vi) the announcement of the Company dated 26 June 2023 in relation to, among other things, the Facility Agreement with Swettenham Capital Pte. Ltd. as Lender; (vii) the announcements of the Company dated 10 July 2023, 29 September 2023, 18 October 2023 and 29 December 2023 in relation to, among other things, the Resumption Guidance, the Additional Resumption Guidance and quarterly updates on resumption progress; and (viii) the announcements of the Company dated 5 January 2024 in relation to the 2022 Audited Annual Results and 2023 Unaudited Interim Results (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

* *For identification purposes only*

BACKGROUND

Key events leading to the suspension of trading of Shares

Delay in publication of 2022 Audited Annual Results and despatch of 2022 Annual Report

As set out in the Announcements, given the tight cash flow of the Company, it was unable to fully settle 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 (“**FY2021**”), and the payment of the deposit for the audit fee in respect of the audit work (the “**2022 Audit Engagement**”) for the year ended 31 December 2022 (“**FY2022**”). Thus, the Company was unable to engage the Auditors to commence the audit work for the 2022 Audit Engagement.

Trading in the Shares on the Stock Exchange has been suspended since 3 April 2023 as the Company could not publish the 2022 Audited Annual Results and despatch the 2022 Annual Report within three months after the end of the financial year of the Company.

Delay in publication of 2023 Unaudited Interim Results and despatch of 2023 Interim Report

As the 2023 Unaudited Interim Results and the 2023 Interim Report would contain certain audited financial information from the 2022 Audited Annual Results, the Company would not be able to publish the 2023 Unaudited Interim Results and despatch the 2023 Interim Report within 45 days after the end of the financial period of the Company.

Further delay in publication of the 2022 Audited Annual Results and 2023 Unaudited Interim Results and despatch of the 2022 Annual Report and the 2023 Interim Report

Due to the discharge of receiver and manager in respect of Link Hotel and all other property and assets of HHI, an indirect wholly-owned subsidiary of the Company, in July 2023, the audit work regarding HHI being performed for FY2022 had been further delayed. As a result, there was a further delay in the publication of the 2022 Audited Annual Results and the 2023 Unaudited Interim Results and despatch of the 2022 Annual Report and 2023 Interim Report.

Failure to restore the public float of the Company

On 13 February 2023, Vertic Holdings Limited entered into a sale and purchase agreement with Ace Kingdom Enterprises Corporation (“**Ace Kingdom**”) in relation to the sale of 1,900,000,000 Shares at a total consideration of HK\$37,000,000 (the “**Sale**”). The Sale was completed on 15 February 2023. As the result of the Sale, Ace Kingdom was required to make mandatory conditional cash offers (the “**Offers**”) for (i) all the other issued Shares 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.

Upon the close of the Offers, 887,319,999 Shares, representing approximately 21.18% of the entire issued share capital of the Company, were held by the public (within the meaning of the GEM Listing Rules), and accordingly, the minimum public float requirement of 25% under Rule 11.23(7) of the GEM Listing Rules was not satisfied.

The Company applied to the Stock Exchange for a temporary waiver for strict compliance with Rule 11.23(7) of the GEM Listing Rules for a period from 5 May 2023 to 30 September 2023 (the “**Waiver Period**”) to allow the substantial shareholder, Ace Kingdom, a reasonable time to dispose of certain number of Shares (the “**Disposal**”) either directly in the market or through a placing agent to be appointed by Ace Kingdom to ensure that the public float requirement under the GEM Listing Rules can be met. On 18 May 2023, the Stock Exchange granted the Company such temporary waiver. The Waiver Period ended on 30 September 2023.

Resumption Guidance and Additional Resumption Guidance

On 6 July 2023 and 17 October 2023, the Company received a letter from the Stock Exchange imposing the Resumption Guidance and Additional Resumption Guidance on it, which the Company was required to fulfil before trading in the Shares could be resumed. Details of the Resumption Guidance and the Additional Resumption Guidance are set out below:

- (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;
- (c) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position; and
- (d) restore the minimum public float required under Rule 11.23(7) of the GEM Listing Rules.

FULFILMENT OF THE RESUMPTION GUIDANCE AND THE ADDITIONAL RESUMPTION GUIDANCE

The Company is pleased to inform the Shareholders and potential investors that all the Resumption Guidance and the Additional Resumption Guidance have been fulfilled on 19 January 2024.

(a) Publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications

Each of the 2022 Audited Annual Results and 2023 Unaudited Interim Results was published, and each of the 2022 Annual Report and 2023 Interim Report was published and despatched, by the Company on 5 January 2024.

For the consolidated financial statements of the Group for FY2022, BDO Limited (“**BDO**”), the auditor of the Company, has issued a disclaimer of opinion (the “**Disclaimer of Opinion**”) in relation to the appropriateness of the going concern assumptions mainly due to (i) the net loss and net current liabilities of the Group; (ii) the settlement plan of the construction payables; and (iii) the availability of funds from the controlling shareholders in support of the going concern of the Company.

In response to the Disclaimer of Opinion related to the going concern assumptions, the management of the Company has, after having sought views from BDO, provided a detailed plan to address the Disclaimer of Opinion.

For details of the Disclaimer of Opinion and the Company's detailed plan to address the Disclaimer of Opinion, please refer to the section headed "Management Discussion and Analysis" in the 2022 Annual Report.

(b) Demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules

Pursuant to Rule 17.26 of the GEM Listing Rules, an issuer is required to carry out, directly or indirectly, a business with sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the issuer's securities.

The principal activity of the Company is investment holding and the Group is principally engaged in the operation of hotel business. In 2007, the Group commenced its hotel business in Singapore with the opening of Link Hotel, and subsequently in September 2019 launched Hanatsubaki Spa Hotel in Japan. Since 2016, the Group has been constructing a resort hotel in Indonesia.

Link Hotel

The Group initiated its hotel business operations in Singapore in 2007 by launching Link Hotel. This establishment was creatively converted from two separate blocks of public housing units, formerly known as Hong Oak (紅屋) or "Red Flats" by Tiong Bahru residents due to their red exteriors. As a boutique-style budget hotel, Link Hotel comprises 288 guest rooms and suites spread over four storeys. It is strategically located along the conservation site and heritage trail of Tiong Bahru in Singapore, spanning across Tiong Bahru Road and connecting through the Link Bridge.

Hanatsubaki Spa Hotel

Established in September 2019, Hanatsubaki Spa Hotel is a renowned hot spring resort nestled in a slightly secluded location in Yamanaka Onsen, Kaga City, Ishikawa. Situated along the famous "Yubatake" mountain stream, the hotel exudes a thoughtful design that preserves traditional Japanese culture and comprises 48 guest rooms and suites. It features its own hot spring source, allowing guests to immerse themselves in the open-air hot spring and experience both physical relaxation and spiritual serenity, all while enjoying the breathtaking views of the mountain stream and cypress in the surrounding jungle.

Hotel operation

The Group derives majority of its revenue from hotel room bookings, food and beverage (“**F&B**”) sales and other hotel service fees related to its hotel operation, as well as the rental income from leasing certain retail space and areas within its hotel properties in Singapore and Japan.

For FY2022, room revenue amounted to approximately HK\$24.4 million, accounting for approximately 73.2% of the Group’s total revenue from hotel operation. Room revenue mainly represents income from hotel accommodation in Link Hotel, which accounted for approximately 93.2% of total room revenue for FY2022. Hanatsubaki Spa Hotel also made a minor contribution to the overall room revenue for FY2022.

For FY2022, F&B revenue reached approximately HK\$2.4 million, representing approximately 7.1% of the total revenue from hotel operation. F&B revenue encompasses sales of F&B from restaurants, bars, room services and meeting spaces within the Group’s hotels. Additionally, rental income from hotel properties amounted to approximately HK\$5.1 million, representing approximately 15.2% of the total revenue from hotel business.

Level of operations

Based on the audited consolidated results of the Group for FY2021 and FY2022, the total revenue of the Group for FY2021 and FY2022 amounted to approximately HK\$49.7 million and HK\$33.3 million, respectively.

Based on the unaudited consolidated interim results of the Group for the six months ended 30 June 2023, the total revenue of the Group for the six months ended 30 June 2023 amounted to approximately HK\$26.0 million.

Financial position

As at 31 December 2021 and 31 December 2022, the Group’s audited total assets amounted to approximately HK\$682.6 million and HK\$617.3 million, respectively.

As at 30 June 2023, the Group’s unaudited total assets amounted to approximately HK\$622.9 million.

The Company considers it carries out a business with a sufficient level of operations and assets of sufficient value to support its operations, and therefore complies with the requirements of Rule 17.26 of the GEM Listing Rules.

(c) Inform the market of all material information for the Company's shareholders and investors to appraise the Company's position

The Company has kept the Shareholders and its potential investors informed of all material information to appraise the Company's position by way of announcements relating to, among others things, (a) details of the Resumption Guidance and the Additional Resumption Guidance; (b) quarterly updates on the resumption progress; (c) change of company secretary; (d) inside information about a winding up petition against a subsidiary; (e) breach of loan agreement; (f) details of the Facility Agreement and repayment of the Outstanding Loan; and (g) legal proceedings by the Company and others against Datuk Siew, Mr. Ngan and Mr. Tong Hing Wah for breach of their fiduciary and/or statutory duties as a director and/or senior employee.

(d) Restore the minimum public float required under Rule 11.23(7) of the GEM Listing Rules

The Company has been informed by Ace Kingdom that completion of the Disposal took place on 19 January 2024. 167,540,000 Shares held by Ace Kingdom have been placed by the placing agent to 7 independent places at the placing price of HK\$0.02 per Share, representing approximately 4.00% of the entire issued Shares of the Company as at the date of this announcement. The number of Shares subscribed by these 7 independent places are as follows:

	Number of Shares subscribed	Approximate % of the entire issued Shares of the Company
1st Individual	58,840,000	1.40%
2nd Individual	33,260,000	0.79%
3rd Individual	15,000,000	0.36%
4th Individual	30,000,000	0.72%
5th Individual	4,860,000	0.12%
6th Individual	10,230,000	0.24%
7th Individual	<u>15,350,000</u>	<u>0.37%</u>
Total	<u><u>167,540,000</u></u>	<u><u>4.00%</u></u>

Immediately after completion of the Disposal and as at the date of this announcement, 1,054,859,999 Shares, representing approximately 25.19% of the entire issued Shares of the Company, are held by the public (within the meaning of the GEM Listing Rules). As such, the minimum public float of 25% as required under Rule 11.23(7) of the GEM Listing Rules has been restored.

RESUMPTION OF TRADING

Trading in the shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Monday, 3 April 2023. As all the Resumption Guidance and the Additional Resumption Guidance have been fulfilled, an application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 22 January 2024.

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, 19 January 2024

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. Chan So Kuen, Mr. Thng Bock Cheng John, Ms. Tam Mei Chu, Ms. Chan Wai Ki, Joffe and Ms. Liu Lu.

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 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.