



Link Holdings Limited 華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8237

** For identification purposes only*

2023 Interim Report



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*This report, for which the directors (the “**Directors**”) of Link Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. He Dingding* (*Chief Executive Officer*)
Mr. Lui Tin Shun*
Mr. Ngan Iek (*Chairman*) (resigned on 9 January 2023)
Datuk Siew Pek Tho (*Chairman*) (resigned on 9 May 2023)

Non-executive Directors

Mr. Chiu Kung Chik*
Mr. Wong Chun Hung Hanson* (*Chairman*)

Independent non-executive Directors

Ms. Chan Wai Ki, Joffee*
Mr. Chan So Kuen
Ms. Liu Lu*
Mr. Simon Luk (resigned on 14 July 2023)
Ms. Tam Mei Chu*
Mr. Thng Bock Cheng John

COMPANY SECRETARY

Ms. Lam Hoi Ki[^], HKICPA
Mr. Tong Hing Wah, HKICPA (cessation on 30 April 2023)

COMPLIANCE OFFICER

Mr. Lui Tin Shun*
(appointed on 9 May 2023)
Datuk Siew Pek Tho (resigned on 9 May 2023)

AUDIT COMMITTEE

Ms. Tam Mei Chu (*Chairman*) (appointed on 9 May 2023)
Ms. Chan Wai Ki, Joffee (appointed on 9 May 2023)
Ms. Liu Lu (appointed on 9 May 2023)
Mr. Chan So Kuen
Mr. Thng Bock Cheng John (resigned on 9 May 2023)
Mr. Simon Luk (resigned on 9 May 2023)

REMUNERATION COMMITTEE

Ms. Chan Wai Ki, Joffee (*Chairman*) (appointed on 9 May 2023)
Ms. Liu Lu (appointed on 9 May 2023)
Ms. Tam Mei Chu (appointed on 9 May 2023)
Mr. Chan So Kuen
Mr. Simon Luk (*Chairman*) (resigned on 9 May 2023)
Mr. Ngan Iek (resigned on 9 January 2023)
Datuk Siew Pek Tho (resigned on 9 May 2023)
Mr. Thng Bock Cheng John (resigned on 9 May 2023)

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Chiu Kung Chik (*Chairman*) (appointed on 9 May 2023)
Ms. Chan Wai Ki, Joffee (appointed on 9 May 2023)
Mr. Chan So Kuen
Ms. Tam Mei Chu (appointed on 9 May 2023)
Mr. Ngan Iek (*Chairman*) (resigned on 9 January 2023)
Datuk Siew Pek Tho (*Chairman*) (resigned on 9 May 2023)
Mr. Simon Luk (resigned on 9 May 2023)
Mr. Thng Bock Cheng John (resigned on 9 May 2023)

* Appointed as Director on 2 May 2023

[^] Appointed on 3 May 2023

Corporate Information

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3503, 35/F
West Tower of Shun Tak Centre
No. 168–200 Connaught Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

DBS Bank Limited
12 Marina Boulevard
43-03 DBS Asia Central
Marina Bay Financial Centre Tower 3
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AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

STOCK CODE

8237

COMPANY'S WEBSITE

www.irasia.com/listco/hk/linkholdings

Financial Highlights

The board (the “**Board**”) of directors (the “**Directors**”) of Link Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2023 (the “**Review Period**”) together with the comparative figures for the corresponding period in 2022 as set out below. This interim report has been reviewed by the audit committee of the Board (the “**Audit Committee**”).

For the Review Period, the Group’s operating results were as follows:

- revenue of the Group from hotel operation amounted to approximately HK\$26.0 million (2022: approximately HK\$9.3 million), representing an increase of approximately 179.6% as compared to the corresponding period in 2022.
- loss attributable to owners of the Company amounted to approximately HK\$57.1 million (2022: approximately HK\$24.9 million).
- basic loss per share was approximately HK cents 1.425 (2022: basic loss per share of approximately HK cents 0.712).

Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023	2022	2023	2022
		HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)
Revenue	3	11,998,568	6,202,760	26,042,379	9,281,393
Cost of sales		(3,858,310)	(3,532,508)	(8,161,943)	(6,941,042)
Gross profit		8,140,258	2,670,252	17,880,436	2,340,351
Loss from distressed debt assets at amortised cost	3	(25,405)	(133,350)	(51,450)	(416,270)
Other income, other gains and losses		475,972	920,665	768,601	1,564,662
Selling expenses		(350,473)	(142,819)	(621,022)	(258,052)
Administrative expenses		(41,333,168)	(8,044,568)	(55,541,999)	(17,052,641)
Finance costs		(11,504,306)	(5,538,780)	(17,746,668)	(11,069,300)
Loss before income tax	4	(44,597,122)	(10,268,600)	(55,312,102)	(24,891,250)
Income tax expense	5	(1,387,614)	-	(1,770,142)	-
Loss for the period		(45,984,736)	(10,268,600)	(57,082,244)	(24,891,250)
Other comprehensive income (expenses) that may be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		(15,490,975)	(13,139,800)	(7,649,938)	(15,603,628)
Gain/(Loss) on cash flow hedges		-	(1,266,493)	-	1,901,731
Other comprehensive income (expenses) for the period, net of tax		(15,490,975)	(14,406,293)	(7,649,938)	(13,701,897)
Total comprehensive expenses for the period		(61,475,708)	(24,674,893)	(64,732,182)	(38,593,147)

Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023 HK\$ (unaudited)	2022 HK\$ (unaudited)	2023 HK\$ (unaudited)	2022 HK\$ (unaudited)
Loss for the period attributable to:					
Owners of the Company		(45,970,623)	(10,249,075)	(57,056,335)	(24,854,605)
Non-controlling interests		(14,113)	(19,525)	(25,909)	(36,645)
		(45,984,736)	(10,268,600)	(57,082,244)	(24,891,250)
Total comprehensive income (expenses) attributable to:					
Owners of the Company		(61,385,660)	(24,560,426)	(64,769,529)	(38,452,129)
Non-controlling interests		(58,956)	(114,467)	37,347	(141,018)
		(61,444,616)	(24,674,893)	(64,732,182)	(38,593,147)
Loss per share	6	HK cents	HK cents	HK cents	HK cents
Basic		(1.098)	(0.294)	(1.425)	(0.712)
Diluted		(1.098)	(0.294)	(1.425)	(0.712)

Condensed Consolidated Statement of Financial Position

At 30 June 2023

	At 30 June 2023 HK\$ (unaudited)	At 31 December 2022 HK\$ (audited)
<i>Notes</i>		
Non-current assets		
Property, plant and equipment	291,521,003	309,372,236
Right-of-use assets	71,674,113	71,786,740
Investment properties	173,858,727	167,609,201
Prepayments for construction	816,660	787,304
Total non-current assets	537,870,503	549,555,481
Current assets		
Hotel inventories	199,192	259,979
Distressed debt assets at amortised costs	35,093,063	36,832,835
Derivative financial instruments	1,388,656	1,397,368
Trade and other receivables	8,262,844	7,123,392
Cash and cash equivalents	30,214,831	12,382,300
Total current assets	75,158,586	57,995,874
Assets classified as held for sale	9,849,876	9,735,114
Total current assets	85,008,462	67,730,988
Current liabilities		
Trade and other payables	95,486,027	78,208,563
Amount due to a non-controlling shareholder of subsidiaries	8,117,180	7,825,397
Amount due to a director	16,583,076	10,126,863
Interest-bearing bank and other borrowings	317,543,285	279,588,327
Bank overdrafts	–	12,912,290
Lease liabilities	765,296	528,380
Provision for taxation	770,101	329,715
Convertible Bonds	32,861,400	32,861,400
Total current liabilities	472,126,365	422,380,935

Condensed Consolidated Statement of Financial Position

At 30 June 2023

	Notes	At 30 June 2023 HK\$ (unaudited)	At 31 December 2022 HK\$ (audited)
Net current liabilities		(387,117,903)	(354,649,947)
Total assets less current liabilities		150,752,600	194,905,534
Non-current liabilities			
Other payables	9	8,222,651	7,927,079
Interest-bearing bank and other borrowings		2,729,278	2,998,987
Lease liabilities		710,326	325,037
Deferred tax liabilities		19,443,428	19,160,900
Convertible bonds		–	16,220,595
Shareholder loan		19,521,132	–
Total non-current liabilities		50,626,815	46,632,598
Net assets		100,125,785	148,272,936
Equity			
Share capital		4,188,000	3,490,000
Reserves		94,205,991	143,088,489
Equity attributable to owners of the Company		98,393,991	146,578,489
Non-controlling interests		1,731,794	1,694,447
Total equity		100,125,785	148,272,936

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company										Total equity HK\$
	Share capital HK\$	Share premium HK\$ (note d)	Hotel properties	Other reserve HK\$ (note c)	Translation reserve HK\$ (note d)	Convertible bonds reserve HK\$ (note e)	Hedging reserve HK\$ (note f)	Retained earnings/	Total HK\$	Non-controlling interests HK\$	
			revaluation reserve					Accumulated losses			
			HK\$ (note b)					HK\$			
At 1 January 2022 (audited)	3,490,000	333,122,249	50,692,756	2,014,251	(34,987,527)	25,040,738	(2,450,102)	(158,881,126)	218,041,239	2,660,283	220,701,522
Loss for the period	-	-	-	-	-	-	-	(24,854,605)	(24,854,605)	(36,645)	(24,891,250)
Other comprehensive income											
— Exchange differences arising on translation of foreign operations	-	-	-	-	(15,505,586)	-	6,331	-	(15,499,255)	(104,373)	(15,603,628)
— Gain on cash flow hedges	-	-	-	-	-	-	1,901,731	-	1,901,731	-	1,901,731
Total comprehensive income for the period	-	-	-	-	(15,505,586)	-	1,908,062	(24,854,605)	(38,452,129)	(141,018)	(38,593,147)
At 30 June 2022 (unaudited)	3,490,000	333,122,249	50,692,756	2,014,251	(50,493,113)	25,040,738	(542,040)	(183,735,731)	179,589,110	2,519,265	182,108,375

	Attributable to owners of the Company										Total equity HK\$
	Share capital HK\$	Share premium HK\$ (note a)	Hotel properties	Other reserve HK\$ (note c)	Translation reserve HK\$ (note d)	Convertible bonds reserve HK\$ (note e)	Hedging reserve HK\$ (note f)	Retained earnings/	Total HK\$	Non-controlling interests HK\$	
			revaluation reserve					Accumulated losses			
			HK\$ (note b)					HK\$			
At 1 January 2023 (audited)	3,490,000	333,122,249	71,927,381	2,014,251	(77,243,293)	25,040,738	1,397,370	(213,170,207)	146,578,489	1,694,447	148,272,936
Loss for the period	-	-	-	-	-	-	-	(57,056,335)	(57,056,335)	(25,909)	(57,082,244)
Other comprehensive income											
— Exchange differences arising on translation of foreign operations	-	-	-	-	(7,704,481)	-	(8,713)	-	(7,713,194)	63,256	(7,649,938)
Total comprehensive income for the period	-	-	-	-	(7,704,481)	-	(8,713)	(57,056,335)	(64,769,529)	37,347	(64,732,182)
Transaction with owners											
Contribution and distributions											
Conversion of convertible bonds	698,000	30,229,520	-	-	-	(14,342,489)	-	-	16,585,031	-	16,585,031
	698,000	30,229,520	-	-	-	(14,342,489)	-	-	16,585,031	-	16,585,031
At 30 June 2023 (unaudited)	4,188,000	363,351,769	71,927,381	2,014,251	(84,947,774)	10,698,249	1,388,657	(270,226,542)	98,393,991	1,731,794	100,125,785

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

Notes:

- a. The share premium account of the Group represents the premium arising from the issuance of shares at premium.
- b. The hotel properties revaluation reserve represents the gains arising from the revaluation of hotel buildings of the Group and the associate (other than investment property).
- c. The other reserve of the Group represents the difference between the nominal value of shares issued by the Company and the aggregate nominal value of the issued share capital of the subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in a subsidiary acquired.
- d. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- e. The convertible bonds reserve represents the amount of proceeds on issue of convertible bonds, net of issue expenses, relating to the equity component (i.e. option to convert the debt into share capital).
- f. The hedging reserve included the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedge. Amounts are subsequently reclassified to profit or loss as appropriate.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 HK\$ (unaudited)	2022 HK\$ (unaudited)
Net cash flows used in operating activities	(21,742,793)	(10,201,048)
Net cash used in investing activities	(45,848)	(6,882)
Net cash generated from/(used in) financing activities	52,843,301	(10,114,749)
Net increase/(decrease) in cash and cash equivalents	31,054,660	(20,322,679)
Cash and cash equivalents at the beginning of period	(529,990)	26,360,451
Effect of exchange rate changes	(309,839)	(841,088)
Cash and cash equivalents at the end of period	30,214,831	5,196,684
Represented by:		
Cash and cash equivalents	30,214,831	6,721,851
Bank overdrafts	–	(1,525,167)
	30,214,831	5,196,684

Notes to the Condensed Consolidated Interim Financial Statements

1 CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 May 2012 under the Companies Law, Cap 22 of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in hotel ownership, operation of hotel services, distressed debt assets management business and property investment.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") for the Review Period have been prepared in accordance with the International Accounting Standard ("**IFRSs**") issued by the International Accounting Standards Board and the applicable disclosure requirements of the GEM Listing Rules.

The preparation of the Interim Financial Statements requires to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2022, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the IFRSs which collective term includes all applicable individual IFRSs issued by the International Accounting Standards Board. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2022 (the "**2022 Audited Consolidated Financial Statements**").

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2022 Audited Consolidated Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has adopted all of the new and revised standards, amendments and interpretations which are relevant to its operations and effective for the accounting periods beginning on or after 1 January 2023.

The adoption of these new and revised standards, amendments and interpretation does not have significant impact on the accounting policies of the Group, and the amounts reported for the current period and prior periods.

The Group has not early adopted the new and revised standards that have been issued but are not yet effective. The Directors anticipate that the application of the new and revised standards will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

3 REVENUE AND LOSS FROM DISTRESSED DEBT ASSETS AT AMORTISED COST

- (a) An analysis of the Group's revenue representing the aggregate amount of income from hotel operations and distressed debt assets is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>Hotel operations:</i>				
Hotel room	9,647,654	3,851,236	21,381,940	4,939,520
Food and beverage	680,585	788,403	1,234,597	1,331,807
Rental income from hotel properties	1,538,312	1,225,369	3,137,323	2,388,866
Others (Note a)	132,017	337,752	288,519	621,200
	11,998,568	6,202,760	26,042,379	9,281,393
Modification loss from distressed debt assets (Note b)	(25,405)	(133,350)	(51,450)	(416,270)
	(25,405)	(133,350)	(51,450)	(416,270)

Notes:

- The amount mainly represents laundry and car park services.
- The amount arises from adjusting the gross amount of distressed debt assets to reflect the renegotiated or modified estimated cash flow.

Notes to the Condensed Consolidated Interim Financial Statements

3 REVENUE AND LOSS FROM DISTRESSED DEBT ASSETS AT AMORTISED COST (continued)

(b) Disaggregation of revenue:

	Hotel business	
	For the six months ended 30 June	
	2023	2022
	HK\$	HK\$
	(unaudited)	(unaudited)
Primary geographical markets		
Singapore	26,042,379	6,854,224
Japan	–	2,427,169
Total	26,042,379	9,281,393

4 LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff costs (Note)	2,910,014	2,413,644	9,729,474	6,526,497
Depreciation of property, plant and equipment	2,707,151	2,732,585	5,475,417	6,215,735
Depreciation of right-of-use assets	736,331	452,792	1,422,689	1,132,482
Singapore property tax expense	1,005,528	913,234	1,758,615	1,664,135

Note: Staff costs include wages and salaries, short-term non-monetary benefits, and contributions to defined contribution plans.

Notes to the Condensed Consolidated Interim Financial Statements

5 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2023 (2022: Nil).

Singapore corporate income tax has been provided on the estimated assessable profits arising in Singapore at the rate of 17% during the six months ended 30 June 2023 (2022: 17%).

The subsidiaries in Indonesia are subject to income tax of 25% on their assessable profits for the six months ended 30 June 2023 as determined in accordance with the relevant Indonesia income tax rules and regulations (2022: 25%).

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits of a subsidiary operating in the PRC (2022: 25%).

Subsidiary operating in Japan is subject to national corporate income tax, inhabitant tax, and enterprise tax (hereinafter collectively referred to as **“Japan Profits Tax”**) in Japan, which, in aggregate, resulted in effective statutory income tax rates of approximately 33.59% for the year based on the existing legislation, interpretations and practices in respect thereof (2022: 33.59%). Japan Profits Tax has been provided on the estimated assessable profit arising in Japan.

Taxes on profits assessable elsewhere have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

The components of the income tax expense for the periods are as follows:

	For the three months ended		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax expense				
— Singapore Corporate Income Tax	1,387,614	–	1,770,142	–

Notes to the Condensed Consolidated Interim Financial Statements

6 LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the three months ended		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss				
Loss for the purpose of basic loss per share	(45,970,623)	(10,249,075)	(57,056,335)	(24,854,605)
Interest expenses on convertible bonds	–	593,139	364,435	1,179,760
Loss for the purpose of diluted loss per share	(45,970,623)	(9,655,936)	(56,691,900)	(23,674,845)

	For the three months ended		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	Shares	Shares	Shares	Shares
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic loss per share	4,188,000,000	3,490,000,000	4,002,895,028	3,490,000,000
Effect of potential dilutive ordinary shares on convertible bonds	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	4,188,000,000	3,490,000,000	4,002,895,028	3,490,000,000

Ordinary shares are derived from 4,188,000,000 ordinary shares, being the number of shares in issue at 30 June 2023 (2022: 3,490,000,000 ordinary shares).

For the six months ended 30 June 2023 and 2022, diluted loss per share is the same as basic loss per share as the impact of the potential dilutive ordinary shares outstanding has an anti-dilutive effect on the basic loss per share.

Notes to the Condensed Consolidated Interim Financial Statements

7 DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2023 (2022: Nil).

8 TRADE AND OTHER RECEIVABLES

As at 30 June 2023, trade and other receivables comprised trade receivables of HK\$3,769,731 (31 December 2022: HK\$4,463,207).

Trade receivables, which generally have credit terms of 30 days, are recognised and carried at their original invoiced amounts less impairment which is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

The aged analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2023 HK\$ (unaudited)	At 31 December 2022 HK\$ (audited)
Current to 30 days	2,198,395	2,779,013
31 to 60 days	1,532,456	1,666,796
61 to 90 days	38,881	17,337
Over 90 days	–	61
	3,769,731	4,463,207

Notes to the Condensed Consolidated Interim Financial Statements

9 TRADE AND OTHER PAYABLES

As at 30 June 2023, trade and other payables comprised trade payables of HK\$1,545,260 (31 December 2022: HK\$689,744).

The Group normally obtains credit terms of up to 30 days from its suppliers. Trade payables are interest-free. The aged analysis of trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	At 30 June 2023 HK\$ (unaudited)	At 31 December 2022 HK\$ (audited)
Current to 30 days	366,310	631,651
31 to 60 days	–	–
61 to 90 days	155,935	–
Over 90 days	1,023,015	58,093
	1,545,260	689,744

As at 30 June 2023, other payables comprised construction payables with current portion of HK\$45,186,358 (31 December 2022: HK\$43,561,547) and non-current portion of HK\$8,222,651 (31 December 2022: HK\$7,927,079).

Management Discussion and Analysis

BUSINESS REVIEW

The Group commenced its hotel business in Singapore with the opening of Link Hotel in 2007, and commenced its distressed debt assets management business in 2017. The Group also opened a spa hotel, namely Hanatsubaki Spa Hotel in Japan in 2019.

For the Review Period, the Group continued to stay focused on the operation of its hotel business in Singapore. Nevertheless, the development of the resort hotel situated in Bintan, Indonesia pursuant to the master plan of the development of the Bintan Assets (as defined in the prospectus of the Company dated 30 June 2014 (the "**Prospectus**")) has been suspended since the outbreak of the COVID-19 pandemic in early 2020. Save as disclosed in this interim report, there is no material change in the Group's businesses during the Review Period.

The Group's principal hotel, namely Link 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 the annex block of the hotel as quarantine accommodation during the Review Period, which provided the Group with a steady stream of income. Despite that the contract with the local government for using the annex block of Link Hotel as quarantine accommodation was terminated on 31 December 2023, the business of the hotel has been improving and the occupancy rate is comparable to that before the outbreak of COVID-19 pandemic. Notwithstanding the above, the management of the Link Hotel has been keen on seeking operation partner(s) to enhance the overall performance.

Regarding the Group's Hanatsubaki Spa Hotel in Japan, in view of the then expected difficult operating situation amid the subsisting and uncertain development of the COVID-19 pandemic in previous years, 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 reopened Hanatsubaki Spa Hotel in Japan in the third quarter of 2023. However, due to the Group's tight financial and human resources, the business of Hanatsubaki Spa Hotel is currently not performing as well as expected and therefore the Group may consider to explore possible options (including but not limited to the disposal of Hanatsubaki Spa Hotel) to reduce the Group's liquidity pressure.

FINANCIAL REVIEW

For the Review Period, the Group recorded a total revenue from hotel operation of approximately HK\$26.0 million (2022: approximately HK\$9.3 million), representing an increase of approximately 179.6% as compared to the corresponding period last year. With the cornerstone set and unwavering efforts made to recover business from the COVID-19 pandemic, the occupancy rate of normal accommodation business of Link Hotel in Singapore in the Review Period has increased significantly.

Management Discussion and Analysis

For the Review Period, loss attributable to owners of the Company was approximately HK\$57.1 million (2022: approximately HK\$24.9 million). This was mainly attributable to the net effect of (i) the increase in revenue of approximately HK\$16.8 million and gross profit of approximately HK\$15.5 million respectively for the abovementioned reason; (ii) the increase in finance costs on the interest-bearing bank borrowings and bank overdraft of approximately HK\$5.3 million; (iii) the legal and professional fee for the refinancing of the interest-bearing bank borrowings of approximately HK\$20.1 million (2022: nil); and (iv) the mandate fee on the termination of refinance plan with a contracted party of approximately HK\$10.6 million (2022: nil) in the Review Period.

Basic loss per share for the Review Period was approximately HK cents 1.425 (2022: basic loss per share of approximately HK cents 0.712).

Hotel operation

For the Review Period, room revenue amounted to approximately HK\$21.4 million (2022: approximately HK\$4.9 million), accounting for approximately 82.1% (2022: approximately 53.2%) of the Group's total revenue from hotel operation. Room revenue mainly represents revenue generated from hotel accommodation in Singapore, which accounted for whole sum of total room revenue for the Review Period (2022: approximately 70.2%), and depends in part on the achieved average room rate and occupancy rate.

Regarding the Group's Hanatsubaki Spa Hotel in Japan, in view of the then expected difficult operating situation amid the subsisting and uncertain development of the COVID-19 pandemic in previous years, 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 reopened Hanatsubaki Spa Hotel in Japan in the third quarter of 2023.

Since early 2020, although the normal business of Link Hotel in Singapore was adversely affected by worldwide travel restrictions and lockdown measures due to the COVID-19 pandemic, the hotel has been used as quarantine accommodation for local residents since the second quarter of 2020. During the Review Period, such engagement, which was terminated on 31 December 2023, covered certain number of hotel rooms of Link Hotel. As a result, the Group secured certain stable income during the Review Period with government engagement for part of the hotel; while it also benefited from the gradual resumption of business upon the lifting of travel restrictions worldwide in respect of the part of hotel which has opened for normal accommodation of tourists.

Management Discussion and Analysis

The following table sets out the total available room nights, occupancy rate, average room rate and Revenue per Available Room (“RevPAR”) of the Group’s principal hotel, i.e. Link Hotel for the periods indicated:

	For the six months ended 30 June	
	2023	2022
Total available room nights	49,594	49,594
Occupancy rate	66%	9%
Average room rate (HK\$)	601.9	671.4
RevPAR (HK\$)	391.9	63.6

For the Review Period, food and beverage (“F&B”) revenue was approximately HK\$1.2 million (2022: approximately HK\$1.3 million), representing approximately 4.7% (2022: approximately 14.3%) of the total revenue from hotel operation. F&B revenue represents the sale of F&B in the restaurants, bars, room services and meeting spaces of the Group’s hotels.

The Group leases shop units in its Link Hotel in Singapore and receives rental income from hotel tenants. For the Review Period, rental income from hotel tenants was approximately HK\$3.1 million, representing approximately 12.1% of the total revenue from hotel business (2022: approximately HK\$2.4 million).

Bintan Assets

The construction contract for the first stage of the first phase of the Bintan Development Plan (as defined in the Prospectus) was signed in September 2016 (details were disclosed in the Company’s announcement dated 29 September 2016). Since 2020 and up to the Review Period, due to the tight financial resources and the COVID-19 pandemic in previous years, the construction progress was suspended. The Group currently is considering to seek potential investor(s) for capital injection for completion or an outright buyout of the Bintan Assets.

Distressed debt assets management business

During the Review Period, the Group recorded loss from distressed debts assets (net of modification loss) of approximately HK\$51,000 (2022: loss of approximately HK\$416,000).

Management Discussion and Analysis

Liquidity, financial resources and capital structure

During the Review Period, the Group mainly financed its operations with shareholder loan, its own working capital and bank loans. As at 30 June 2023, the Group had net current liabilities of approximately HK\$385.9 million, including cash and bank balances of approximately HK\$30.2 million, shareholder loan of approximately HK\$19.5 million, short-term interest-bearing bank and other borrowings of approximately HK\$317.5 million and convertible bonds with principal sum and default interests totalling approximately HK\$32.9 million (matured in November 2020 but not yet redeemed). As at 30 June 2023, the Group also had interest-bearing bank and other borrowings of approximately HK\$318.7 million which were due for repayment within one year. As at 30 June 2023, the Group's bank borrowings bore interest at 0.46% to 1.36% per annum (31 December 2022: 0.46% to 1.36% per annum) above the bank's Singapore swap offer rate. The effective interest rate was ranged from 1.94% to 3.84% per annum (31 December 2022: 1.94% to 3.84% per annum). During the Review Period, the Group had interest rate swap contracts to hedge the interest rate risk of the floating rate interest-bearing bank borrowings.

The Directors have been closely monitoring its working capital and considered appropriate funding such as internal operating fund, unutilised banking facilities and seeking new external funding. The Directors will manage the capital of the Group and ensure that the Group will have sufficient financial resources to finance its working capital requirements.

The net debt to equity ratio calculated based on the Group's total debts (being amounts due to a non-controlling shareholder of subsidiaries and a director, lease liabilities, interest-bearing bank and other borrowings and convertible bonds, less cash and cash equivalents) divided by the Group's total equity and multiplied by 100% as at 30 June 2023 was approximately 398.3% (31 December 2022: approximately 236.7%).

On 30 January 2023, the Company received conversion notices from holders of the zero-coupon convertible bonds (the **"2020 Convertible Bonds"**) in the principal amount of HK\$25,128,000 and due in June 2025 in relation to the exercise of the conversion rights attached to the 2020 Convertible Bonds in full at the conversion price of HK\$0.036 per conversion share. On 17 February 2023, (i) 200,000,000 shares (**"Shares"**) of the Company were allotted and issued to Mr. Ng Meng Chit, (ii) 178,000,000 Shares were allotted and issued to Ng Sam Meng; (iii) 160,000,000 Shares were allotted and issued to Ao Leong Fan; and (iv) 160,000,000 Shares were allotted and issued to Lao Sao Chan. Upon completion of the conversion of the said convertible bonds, all the outstanding principal amount of the 2020 Convertible Bonds were fully converted.

Management Discussion and Analysis

Save as disclosed above, there was no cancellation, conversion or redemption of the convertible bonds during the Review Period. As such, the total outstanding amount of the 2015 Convertible Bonds (as defined below) (including the accreted principal amount of approximately HK\$32.8 million together with accrued and unpaid interests and/or default interests in respect of the convertible bonds which matured in November 2020 but defaulted in repayment) was approximately HK\$58.1 million as at 30 June 2023 (31 December 2022: approximately HK\$68.8 million) with maturity date on 30 November 2020.

Measures to address the going concern issue

During the Review Period and up to the date of this interim report, in order to address the uncertainties which may cast doubt regarding the Group's ability to continue as a going concern, the Company had taken and intends to continue to implement the following measures to mitigate the liquidity pressure and to improve its cash flows, including but not limited to:

- (1) the Group has been communicating with the contractor for further extension of the repayment of the construction payable and an amicable repayment schedule so as to reduce the liquidity pressure to the Group. Further details will be discussed with the contractor upon completion of the on-site assessment of the bills of quantities of the construction works by the overseas construction team of the contractor;
- (2) the Group has started the operation of its Hanatsubaki Spa Hotel in Japan in the third quarter of 2023 in order to generate working capital and strengthen the Group's liquidity position;
- (3) the Company has sought financial support from its major shareholders in order to ease the pressure from immediate operating capital;
- (4) as disclosed in the announcement of the Company dated 13 September 2023, the Company has entered into a standstill agreement ("**Standstill Agreement**") with the convertible bond holder (the "**CB Holder**") on the defaulted sum in respect of the 2015 Convertible Bonds. As disclosed in the announcement of the Company dated 29 December 2023, the Company and the CB Holder have agreed the following (i) the standstill period shall be extended to 16 February 2024; and (ii) the Company shall repay HK\$16,057,191.78 on or before 16 February 2024 as further partial repayment to the CB Holder for the principal amount of the 2015 Convertible Bonds together with accrued and unpaid interests and/or default interests thereon. During the standstill period, the management of the Company will continue to negotiate with the CB Holder to further extend the standstill period and to agree on a repayment schedule for the remaining amount due under the 2015 Convertible Bonds, as and when appropriate; and

Management Discussion and Analysis

- (5) the Company will seek external debt financing in order to avoid a cash deficit position.

Significant investments

The Group did not acquire or hold any significant investment during the Review Period (2022: nil).

Material acquisitions and disposals

During the Review Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Future plans for material investments and capital assets

Save as disclosed in this report, the Group did not have plans for material investments and capital assets as at the date of this report.

Gearing ratio

As at 30 June 2023, the Group's gearing ratio was approximately 398.3% (30 June 2022: approximately 189.70%), based on total debt of approximately HK\$398.3 million and total equity of approximately HK\$100.1 million. The increase was mainly attributable to increase in loan and borrowings.

Contingent liabilities

As at 30 June 2023, the management of the Group was not aware of any material claim which was threatened against the Group (31 December 2022: nil).

Employees and remuneration policies

As at 30 June 2023, the Group engaged a total of 46 employees (31 December 2022: 45). Total staff costs including Directors' remuneration for the Review Period amounted to approximately HK\$9.7 million (2022: approximately HK\$6.5 million). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees.

The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed.

Trainings are provided to the employees to equip them with practical knowledge and skills.

Management Discussion and Analysis

Share Option Scheme

The Company has adopted a share option scheme on 20 June 2014 (the “**Share Option Scheme**”) pursuant to which the Directors and employees of the Group are entitled to participate. Since the adoption of the Share Option Scheme, during the Review Period and up to the date of this report, no option has been granted and there has been no movement of any options granted (if any) under the Share Option Scheme. There is no option outstanding, granted, cancelled or lapsed during the Review Period.

Foreign currency exposure

Substantially all the transactions of the Group’s subsidiaries in Singapore, Indonesia, Japan and the PRC are carried out in Singapore dollar, Indonesia Rupiah, Japanese Yen and Renminbi respectively, which are the functional currencies of the subsidiaries. Therefore, foreign currency risk for the respective currencies above are minimal. However, the translation of functional currencies for respective subsidiaries above to the presentation currency in Hong Kong dollar might be exposed to foreign currency risk. During the Review Period, the Group had not used any financial instruments for foreign currency risk hedging purposes.

Charges on group assets

As at 30 June 2023, certain property, plant and equipment of the Group with net carrying amount of approximately HK\$126.7 million (31 December 2022: approximately HK\$134.9 million) were pledged to secure for the banking facilities.

Dividend

The Directors do not recommend the payment of any dividend for the Review Period. (2022: Nil).

Breach of convertible bonds by the Company

Pursuant to the convertible bonds (the “**2015 Convertible Bonds**”) issued by the Company on 30 November 2015 in favour of the CB Holder, the Company was required to redeem the 2015 Convertible Bonds in the principal amount of approximately HK\$25.3 million on the maturity date, i.e. 30 November 2020. Given that the Group has failed to redeem the 2015 Convertible Bonds, which constituted an event of default, the CB Holder has issued two letters in December 2020 and a further letter in November 2021 to the Company demanding for the immediate repayment of the principal sum and default penalty under the 2015 Convertible Bonds together with all default interest. As disclosed in the announcement of the Company dated 13 September 2023, the Company entered into the Standstill Agreement with the CB Holder, pursuant to which (i) the CB Holder shall not initiate or pursue any legal proceedings in respect of the defaults under the 2015 Convertible Bonds for a period from 13 September 2023 to 31 December 2023 (the “**Standstill Period**”), and (ii) the Company shall make partial repayments to the CB Holder in the manner specified therein.

Management Discussion and Analysis

As disclosed in the announcement of the Company dated 29 December 2023, the Company and the CB Holder have agreed the following (i) the Standstill Period shall be extended to 16 February 2024; and (ii) the Company shall repay HK\$16,057,191.78 on or before 16 February 2024 as further partial repayment to the CB Holder for the principal amount of the 2015 Convertible Bonds together with accrued and unpaid interests and/or default interests thereon. During the Standstill Period, the management of the Company will continue to negotiate with the CB Holder to further extend the Standstill Period and to agree on a repayment schedule for the remaining amount due under the 2015 Convertible Bonds, as and when appropriate.

Transfer of the 2020 Convertible Bonds

Pursuant to the subscription agreement dated 21 June 2020 (the “**Subscription Agreement**”) entered into between the Company and Mr. Ng Meng Chit (“**Mr. Ng**”), the Company issued the 2020 Convertible Bonds. Based on the conversion price of HK\$0.036 (the “**Conversion Price**”) per conversion share (the “**Conversion Share**”), a total of 698,000,000 Conversion Shares would be allotted and issued upon exercise of the conversion rights attaching to the 2020 Convertible Bonds in full, which represent 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. Details of the 2020 Convertible Bonds is set out in the announcement of the Company dated 21 June 2020.

On 26 January 2023, Mr. Ng transferred the 2020 Convertible Bonds in the principal amount of HK\$5,760,000 to Lao Sao Chan, HK\$5,760,000 to Ao leong Fan and HK\$6,408,000 to Ng Sam Meng. Upon exercise of the conversion rights attaching to such transferred 2020 Convertible Bonds in full, 160,000,000 Shares, 160,000,000 Shares and 178,000,000 Shares would be issued to Lao Sao Chan, Ao leong Fan and Ng Sam Meng respectively, representing approximately 3.82%, 3.28% and 4.25% of the total issued share capital of the Company respectively as enlarged by the allotment and issue of the 698,000,000 Conversion Shares.

Conversion of the 2020 Convertible Bonds

On 30 January 2023, the Company received conversion notices from holders of the 2020 Convertible Bonds in relation to the exercise of the conversion rights attached to the 2020 Convertible Bonds with the aggregate principal amount of HK\$25,128,000 at the Conversion Price of HK\$0.036 per Conversion Share (the “**Conversion**”). On 17 February 2023, the Conversion was completed and (i) 200,000,000 Conversion Shares were allotted and issued to Mr. Ng, (ii) 178,000,000 Conversion Shares were allotted and issued to Ng Sam Meng; (iii) 160,000,000 Conversion Shares were allotted and issued to Ao Leong Fan; and (iv) 160,000,000 Conversion Shares were allotted and issued to Lao Sao Chan. Upon completion of the Conversion, all the outstanding 2020 Convertible Bonds were fully converted.

Management Discussion and Analysis

OUTLOOK

The Company is cautiously optimistic about its future prospects as it navigates the recovery from the COVID-19 pandemic. As the global vaccination rollout continues and travel restrictions gradually ease, the tourism industry is poised for a robust recovery. The Company is well-positioned to benefit from this resurgence, thanks to its diverse property portfolio and commitment to delivering exceptional experiences for its guests, subject to timely refinancing being obtained.

In the past, the Company has invested in non-performing loans and special assets. The Company will continue to evaluate its existing portfolio and seek suitable investments in special assets and restructuring opportunities. This strategic approach will contribute to the Company's growth and stability in the long term.

As part of its ongoing business strategy, the Company will constantly assess its hotel portfolio and consider plans for expansion or adjustment in light of the prevailing market situation. This proactive approach allows the Company to remain adaptable and responsive to market changes, ensuring optimal growth and value creation for its stakeholders.

Active engagement in refinancing efforts is underway to ensure a stable financial foundation for the business. With successful and timely refinancing, Link Hotel's future prospects are promising, as the market continues to thrive and attract both business and leisure travelers. Notwithstanding the above, the management of the Link Hotel has been keen on seeking operation partner(s) to enhance the overall performance.

Hanatsubaki Spa Hotel is another promising venture contributing to the Company's future growth, subject to timely refinancing. In recent years, there has been growing interest in wellness tourism, and Hanatsubaki Spa Hotel is well-positioned to cater to this demand. Given that the COVID-19 pandemic restrictions have been gradually lifted in Japan, the Company has reopened the Hanatsubaki Spa Hotel in Japan in the third quarter of 2023. However, due to the Group's tight financial and human resources, the business of Hanatsubaki Spa Hotel is currently not performing as well as expected and therefore the Group may consider to explore possible options (including but not limited to the disposal of Hanatsubaki Spa Hotel) to reduce the Group's liquidity pressure.

Management Discussion and Analysis

The Bintan resort development represents an exciting opportunity for the Company to expand its regional footprint, subject to successful and timely refinancing. Bintan, a popular island destination in Indonesia, is known for its sandy beaches, lush greenery, and crystal-clear waters. The Company is carefully assessing the potential continuation of the Bintan development to cater to the growing demand for luxury accommodations, providing guests with a unique and memorable island getaway experience. The Bintan resort, if completed, will bolster the Company's presence in the region's burgeoning tourism market, helping diversify revenue streams and contribute to overall growth, provided that necessary refinancing is obtained in a timely manner. However, since 2020 and up to the Review Period, due to the tight financial resources and the COVID-19 pandemic in previous years, the construction progress was suspended. The Group currently is considering to seek potential investor(s) for capital injection for completion or an outright buyout of the Bintan Assets.

The Company recognizes the gravity of its current liquidity challenges. Active efforts are being made to secure refinancing to stabilize the financial position. Engagement with financial institutions and potential investors to explore various refinancing options is ongoing, with a strong commitment to identifying the most suitable solution for the Company.

Looking to the future, the focus remains on continuous improvement, and creating unforgettable experiences for guests, while closely monitoring the refinancing process and constantly assessing the hotel portfolio. The Company is excited about the opportunities that lie ahead, including the potential Bintan resort development, and remains committed to working diligently to achieve its vision of becoming a leading hospitality provider in the region, subject to successful and timely refinancing.

With a commitment to delivering exceptional guest experiences, enhancing the value of properties, and strategically investing in special assets and restructuring opportunities, the Company looks forward to a bright future, provided that timely refinancing is obtained.

Other Information

AUDIT COMMITTEE

The Audit Committee is responsible for, among others, reviewing and providing supervision over the Group's financial reporting process, risk management and internal control system, and providing advice to the Board. The Audit Committee comprises four independent non-executive Directors, namely Ms. Tam Mei Chu, Ms. Chan Wai Ki, Joffee, Ms. Liu Lu and Mr. Chan So Kuen. Ms. Tam Mei Chu is the chairman of the Audit Committee.

The condensed consolidated financial statements for the Review Period have not been audited by the auditors of the Company. The Audit Committee has reviewed the unaudited consolidated results of the Group for the Review Period and this report with the management and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

COMPETING INTEREST

Each of the Directors or the controlling Shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the Review Period and up to the date of this report.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2023, the Group had complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules throughout the Review Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and its code of conduct regarding Directors' securities transactions throughout the Review Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Review Period.

Other Information

SUFFICIENCY OF PUBLIC FLOAT

References are made to the announcements (the **"Public Float Announcements"**) of the Company dated 23 May 2023 and 18 October 2023 in relation to sufficiency of public float of the Company.

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 Enterprises Corporation (**"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.

As at the date of this interim report, the minimum public float of the Company has not been restored as required under Rule 11.23(7) of the GEM Listing Rules. Please refer to the Public Float Announcements for details.

As at the date of this report, a placing agent has been appointed by Ace Kingdom and potential investors have been identified for the Disposal. Ace Kingdom and such potential investors are currently in the process of negotiating the terms of the Disposal, including the consideration for the Disposal and the condition(s) precedent to be fulfilled before completion of the Disposal. The Disposal is expected take place by the end of January 2024.

SPECIFIC PERFORMANCE COVENANT ON CONTROLLING SHAREHOLDERS

Reference is made to the announcement (the **"June 2023 Announcement"**) of the Company dated 26 June 2023. On 16 June 2023 and 22 June 2023, Hang Huo Investment Pte. Ltd. (**"HHI"**), as borrower, and Links Hotel International Pte. Ltd. (**"LHI"**), as operating company and an obligor, entered into a facility agreement and supplemental agreement respectively (collectively the **"Facility Agreement"**) with Swettenham Capital Pte. Ltd. (the **"Lender"**), as lender. Under the Facility Agreement, the Lender shall make available a term loan facility (the **"Loan Facility"**) to HHI in an amount of S\$55 million bearing a fixed interest rate of 11% per annum. The Loan Facility together with accrued interest thereon shall become payable on the date falling one year from the date of drawdown. Each of HHI and LHI is an indirect wholly-owned subsidiary of the Company. The Lender is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Other Information

Under the Facility Agreement, specific performance obligations are imposed as follows:

If Ace Kingdom ceases to control, directly or indirectly (whether through direct or indirect shareholding, nominee arrangements, convertible loan agreements, conditional sale and purchase agreements and/or other arrangements or understanding), HHI, LHI and/or the Company:

- (i) HHI and LHI shall promptly notify the Lender upon becoming aware of that event; and
- (ii) within 30 days of receipt of notice under paragraph (i) above, the Lender may elect to, by not less than 15 calendar days' notice to HHI, cancel the Loan Facility commitment and declare the Loan Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and any other relevant finance documents immediately due and payable.

For the purpose of the above "control" means: (i) the direct or indirect beneficial ownership of, or the right to exercise (or to control the exercise of), directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the shares or other equity securities of, such person; (ii) the right to, directly or indirectly, elect or control a majority of the board of directors or equivalent body governing the affairs of such person; or (iii) the power to direct its affairs or cause the direction of the management or policies of such person, in each case, whether by way of ownership of shares, proxy, contract, agency or otherwise. Please refer to the June 2023 Announcement for details.

SIGNIFICANT EVENTS DURING THE REVIEW PERIOD

Mandatory conditional cash offers

On 13 February 2023, Vertic Holdings Limited entered into a sale and purchase agreement with Ace Kingdom in relation to the sale of 1,900,000,000 shares (the "**Sale Shares**") at a consideration of HK\$37,000,000 (the "**Sale**"), which is equivalent to approximately HK\$0.01947 per Sale Share. 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. For details of the Offers, please refer to the announcement dated 24 February 2023 and the offer document dated 16 March 2023 of the Company.

Other Information

On 5 May 2023, the Offers were closed. For the result of the Offers, please refer to the announcement of the Company dated 5 May 2023.

Discharge of Receiver and Manager in respect of Link Hotel

Banking facilities of S\$31,000,000 had been granted by DBS Bank Ltd (the “**DBS Bank**”) to Hang Huo Investment Pte Ltd (“**HHI**”), an indirect wholly-owned subsidiary of the Company. The banking facilities which were secured by a first legal mortgage over (i) the parcel of land (the “**Land**”) owned by HHI; and (ii) the buildings, known as Link Hotel, erected on the Land had expired and became due on 11 January 2023.

On 31 March 2023, each of HHI in its capacity as borrower and mortgagor, the Company in its capacity as corporate guarantor, and Link Hotels International Pte Ltd (“**LHI**”), an indirect wholly owned subsidiary of the Company in its capacity as another corporate guarantor, received notice of demand (the “**Demand Notice**”) from the legal adviser of DBS Bank, demanding each of HHI, LHI and the Company for the repayment of total outstanding sum of S\$50,010,570.88 together with all further interest accruing thereon until the date of full payment and DBS Bank’s legal costs on an indemnity basis within seven days from the date of the Demand Notice. On 31 March 2023, the Demand Notice was due and resulted in the payment default of HHI.

On 11 April 2023, two deeds of appointments were executed by DBS Bank pursuant to which Mr. Wong Pheng Cheong Martin of FTI Consulting (Singapore) Pte Ltd (the “**Receiver**”) was appointed as receiver and manager in respect of Link Hotel and all other properties and assets of HHI such that all powers to manage and deal with HHI and the mortgaged properties were vested with the Receiver.

On 16 June 2023 and 22 June 2023, HHI, as borrower, and LHI, as operating company and an obligor, entered into a facility agreement and a supplemental agreement respectively (collectively, the “**Facility Agreement**”) with Swettenham Capital Pte. Ltd. (the “**Lender**”) after obtaining the relevant consent from CMI Financial Holdings Co Ltd.

Under the Facility Agreement, the Lender shall make available a 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. Following full repayment of the outstanding loan to DBS Bank, the receiver and manager in respect of Link Hotel and all other property and assets of HHI have been discharged.

Please refer to the announcements of the Company dated 3 April 2023, 4 April 2023, 12 April 2023, 26 June 2023 and 10 July 2023 for further details.

Other Information

As disclosed in the announcement of the Company dated 29 December 2023, pursuant to the Facility Agreement, (i) HHI shall repay in full the loan facility together with accrued interest thereon on the date falling one year from the date of drawdown; (ii) an upfront interest payment on the loan facility of S\$3,025,000 (the “**Upfront Interest Payment**”), equivalent to six months of interest on the loan facility, shall be payable by HHI to the Lender on 26 December 2023; and (iii) interest of S\$513,835.62 accruing on the outstanding principal of the loan facility at such time shall be payable by HHI to the Lender on 26 January 2024 (the “**January 2024 Interest**”), had the Upfront Interest Payment been repaid on 26 December 2023.

On 20 December 2023, HHI, LHI and the Lender have agreed that (i) a deferment and waiver of the Upfront Interest Payment and the January 2024 Interest payment until 26 February 2024 shall be granted; and (ii) on 26 February 2024, HHI shall pay S\$4,114,257.67, which comprises the Upfront Interest Payment, the January 2024 Interest and interest accrued on each of the Upfront Interest Payment, the January 2024 Interest and the outstanding principal of the Loan Facility at the rate of 11% per annum.

As at the date of this report, HHI and LHI are in negotiation with the Lender in relation to further debt financing of up to S\$8,000,000 in principal. Further announcement(s) in relation to such financing will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Winding up Petition Against Silverine Pacific Ltd.

On 15 June 2023, Silverine Pacific Ltd. (“**Silverine**”), a direct wholly-owned subsidiary of the Company, received a petition (the “**Petition**”) filed by Taigof Credit Opportunities Ltd. (the “**Petitioner**”) for an order that Silverine may be wound up by the High Court of the Republic of Singapore. The Petition was filed against Silverine for failure to settle a sum of S\$1,800,000 being the alleged outstanding amount owed by Silverine to the Petitioner in relation to the provision of a proposed term loan facility of S\$60,000,000 by the Petitioner to Silverine under a facility agreement dated on or around 10 March 2023 entered into among Silverine, as borrower, the Petitioner, as lender, and HHI and LHI, as guarantors.

On 17 July 2023, the Company received a copy of the court order dated 7 July 2023 issued by the Singapore High Court whereby it was ordered that leave to withdraw the Petition be granted.

Please refer to the announcements of the Company dated 20 June 2023 and 18 July 2023 for further details.

Other Information

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.

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.

Further to the Resumption Guidance issued by the Stock Exchange on 6 July 2023, the Company received a letter from the Stock Exchange on 17 October 2023, which sets out following additional resumption guidance (the “**Additional Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- restore the minimum public float required under Rule 11.23(7) of the GEM Listing Rules

Other Information

The Stock Exchange has indicated that it may modify the Resumption Guidance, the Additional Resumption Guidance and/or give further guidance as and when appropriate.

For further details, please refer to the announcements of the Company dated 10 July 2023 and 18 October 2023.

The Company will keep its shareholders and public informed of the developments in this regard by making further announcements as and when appropriate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests or short positions of the Directors and chief executive in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Charter 571 of the Laws of Hong Kong) ("**SFO**")) as recorded in the register to be kept under which have 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) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long position in shares of the Company

Name	Capacity	Total number of shares held	Percentage of shareholding
Mr. Lui Tin Shun (" Mr. Lui ")	Interest in controlled corporation	2,610,680,001 (Note)	62.34%
Mr. Wong Chun Hung Hanson (" Mr. Wong ")	Interest in controlled corporation	2,610,680,001 (Note)	62.34%

Note: These shares are registered in the name of Ace Kingdom, a company owned as to 45% by Boomerang Investment Limited, 35% by Mr. Kwok Yi Chit and 20% by Billion Supreme Holdings Limited. Mr. Lui and Mr. Wong are deemed to be interested in the shares of the Company held by Ace Kingdom under Part XV of the SFO. Mr. Lui and Mr. Wong are directors of Ace Kingdom.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, so far as any Directors are aware, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in Shares

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage of shareholding
Ace Kingdom	Beneficial owner	2,610,680,001 (Note 1)	62.34%
Boomerang Investment Limited ("Boomerang")	Interest of controlled corporation	2,610,680,001 (Note 1)	62.34%
Mr. Kwok Yi Chit ("Mr. Kwok")	Interest of controlled corporation	2,610,680,001 (Note 1)	62.34%
Billion Supreme Holdings Limited ("Billion")	Interest of controlled corporation	2,610,680,001 (Note 1)	62.34%
CMI Financial Holding Company Limited ("CMI Hong Kong")	Beneficial owner	690,000,000 (Note 2)	16.48%
China Minsheng Asia Asset Management Company Limited [#] (Formerly known as "Minsheng (Shanghai) Asset Management Company Limited [#] ") 中民投亞洲資產管理有限公司 (前稱「民生(上海)資產管理有限公司」)("CMI Asia")	Interest of controlled corporation	690,000,000 (Note 2)	16.48%

Other Information

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding
China Minsheng Investment Group Corporation Limited* (中國民生投資股份有限公司) ("China Minsheng Investment")	Interest of controlled corporation	690,000,000 (Note 2)	16.48%
China Orient Asset Management Corporation ("China Orient")	Beneficial Owner	310,000,000 (Note 3)	7.40%

Notes:

1. Ace Kingdom is a company owned as to 45% by Boomerang, 35% by Mr. Kwok and 20% by Billion.
2. Such shares are held by CMI Hong Kong, which is wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the shares held by CMI Hong Kong under Part XV of the SFO.
3. Pursuant to the notices of disclosure of interest filed by China Orient, it has (i) a security interest in 200,000,000 Shares, and (ii) a deemed interest in 110,000,000 Shares held by its controlled corporation.

Long position in the underlying shares of the convertible bonds of the Company

Name of the holder of the convertible bonds	Capacity	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (Note 1)
CMI Hong Kong (Note 2)	Beneficial owner	HK\$25,278,000	76,600,000	1.83%
CMI Asia (Note 2)	Interest of controlled corporation	HK\$25,278,000	76,600,000	1.83%
China Minsheng Investment (Note 2)	Interest of controlled corporation	HK\$25,278,000	76,600,000	1.83%

Other Information

Notes:

1. As at 30 June 2023, the Company had a total number of 4,188,000,000 Shares in issue.
2. Such underlying shares are held by CMI Hong Kong, a company wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the underlying shares held by CMI Hong Kong under Part XV of the SFO.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

By Order of the Board
Link Holdings Limited
He Dingding

Chief Executive Officer and executive Director

Hong Kong, 5 January 2024

- # In this interim report, translated English names of Chinese entities for which no official English translation exist are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.