



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*

2025 Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. He Dingding (*Chief Executive Officer*)

Mr. Lui Tin Shun

Non-executive Directors

Mr. Chiu Kung Chik

Mr. Wong Chun Hung Hanson (*Chairman*)

Mr. Gao Zhaoyuan

Mr. Yuen Lai Him

(appointed on 6 January 2025)

Independent non-executive Directors

Ms. Chan Wai Ki, Joffee

Mr. Chan So Kuen

(resigned on 6 January 2025)

Ms. Tam Mei Chu

(resigned on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy

(appointed on 6 January 2025)

COMPANY SECRETARY

Ms. Lam Hoi Ki, HKICPA

AUDIT COMMITTEE

Ms. Tam Mei Chu (*Chairman*)

(ceased on 6 January 2025)

Mr. Tang Chiu Ming Jeremy (*Chairman*)

(appointed on 6 January 2025)

Ms. Chan Wai Ki, Joffee

Mr. Chan So Kuen

(ceased on 6 January 2025)

Mr. Ho Sing Wai

REMUNERATION COMMITTEE

Ms. Chan Wai Ki, Joffee (*Chairman*)

Ms. Tam Mei Chu

(ceased on 6 January 2025)

Mr. Chan So Kuen

(ceased on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy

(appointed on 6 January 2025)

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Wong Chun Hung Hanson (*Chairman*)

Ms. Chan Wai Ki, Joffee

Mr. Tang Chiu Ming Jeremy

(appointed on 6 January 2025)

Mr. Chan So Kuen

(ceased on 6 January 2025)

Ms. Tam Mei Chu

(ceased on 6 January 2025)

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

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Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
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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
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PRINCIPAL BANKER

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43-3 DBS Asia Central
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AUDITOR

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

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COMPANY'S WEBSITE

www.irasia.com/listco/hk/linkholdings

Financial Highlights

The board (the **"Board"**) of directors (the **"Director(s)"**) 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 2025 (the **"Review Period"**) together with the comparative figures for the six months ended 30 June 2024 (the **"Last Corresponding Period"**) 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\$13,590,000 (2024: approximately HK\$22,067,000), representing a decrease of approximately 38.4% as compared to the Last Corresponding Period.
- loss attributable to owners of the Company amounted to approximately HK\$42,206,000 (2024: approximately HK\$34,736,000).
- basic loss per share was approximately HK cents 24.86 (2024: approximately HK cents 20.74 (as restated)).

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025	2024
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	13,590	22,067
Cost of sales		(11,739)	(11,316)
Gross profit		1,851	10,751
Loss from distressed debt assets at amortised cost	3	–	(19)
Other income, other gains and losses		219	472
Selling expenses		(312)	(623)
Administrative expenses		(21,480)	(18,761)
Finance costs		(21,470)	(25,087)
Loss before income tax expense	4	(41,192)	(33,267)
Income tax expense	5	(1,034)	(1,532)
Loss for the period		(42,226)	(34,799)
Other comprehensive expenses that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		(20,856)	(13,496)
Other comprehensive expenses for the period, net of tax		(20,856)	(13,496)
Total comprehensive expenses for the period		(63,082)	(48,295)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025	2024
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Loss for the period attributable to:			
Owners of the Company		(42,206)	(34,736)
Non-controlling interests		(20)	(63)
		(42,226)	(34,799)
Total comprehensive income (expenses) attributable to:			
Owners of the Company		(63,031)	(48,154)
Non-controlling interests		(51)	(141)
		(63,082)	(48,295)
		HK cents	(Restated) HK cents
Losses per share	6		
Basic		(24.86)	(20.74)
Diluted		(24.86)	(20.74)

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		At 30 June 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
	Notes		
Non-current assets			
Property, plant and equipment		254,113	236,875
Right-of-use assets		71,101	66,527
Investment properties		154,834	153,149
Prepayments for construction		761	753
Total non-current assets		480,809	457,304
Current assets			
Hotel inventories		459	522
Distressed debt assets at amortised cost		19,637	19,343
Trade and other receivables	8	4,052	6,136
Cash and cash equivalents		5,825	13,225
Total current assets		29,973	39,226
Current liabilities			
Trade and other payables	9	87,370	79,162
Amount due to a non-controlling shareholder of subsidiaries		7,353	7,458
Amount due to controlling shareholder		25,345	23,455
Interest-bearing bank and other borrowings		489,076	427,857
Lease liabilities		256	448
Provision for taxation		436	446
Total current liabilities		609,836	538,826
Net current liabilities		(579,863)	(499,600)
Total assets less current liabilities		(99,054)	(42,296)

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		At 30 June 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
	Notes		
Non-current liabilities			
Other payables	9	7,601	7,526
Interest-bearing bank and other borrowings		5,452	4,312
Amount due to controlling shareholder		12,289	12,289
Lease liabilities		120	–
Deferred tax liabilities		15,909	14,861
Total non-current liabilities		41,371	38,988
Net liabilities		(140,425)	(81,284)
Equity			
Share capital		5,026	4,188
Reserves		(142,386)	(82,458)
Equity attributable to owners of the Company		(137,360)	(78,270)
Non-controlling interests		(3,065)	(3,014)
Total deficit		(140,425)	(81,284)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company										
	Hotel properties					Convertible bonds reserve	Share option		Accumulated losses	Non-controlling interests	Total equity/ (deficit)
	Share capital	Share premium	revaluation reserve	Other reserve	Translation reserve		reserve	reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note a)	(Note b)	(Note c)	(Note d)	(Note e)					
At 1 January 2024 (audited)	4,188	363,352	71,927	2,014	(79,560)	10,698	–	(301,415)	71,204	1,399	72,603
Loss for the period	–	–	–	–	–	–	–	(34,736)	(34,736)	(63)	(34,799)
Other comprehensive income											
—Exchange differences arising on translation of foreign operations	–	–	–	–	(13,418)	–	–	–	(13,418)	(78)	(13,496)
Total comprehensive income for the period	–	–	–	–	(13,418)	–	–	(34,736)	(48,154)	(141)	(48,295)
At 30 June 2024 (unaudited)	4,188	363,352	71,927	2,014	(92,978)	10,698	–	(336,151)	23,050	1,258	24,308

	Attributable to owners of the Company										
	Hotel properties					Convertible bonds reserve	Share option		Accumulated losses	Non-controlling interests	Total deficit
	Share capital	Share premium	revaluation reserve	Other reserve	Translation reserve		reserve	reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note a)	(Note b)	(Note c)	(Note d)	(Note e)					
At 1 January 2025 (audited)	4,188	363,352	73,656	2,014	(84,951)	–	649	(437,178)	(78,270)	(3,014)	(81,284)
Loss for the period	–	–	–	–	–	–	–	(42,206)	(42,206)	(20)	(42,226)
Other comprehensive income											
—Exchange differences arising on translation of foreign operations	–	–	–	–	(20,825)	–	–	–	(20,825)	(31)	(20,856)
Total comprehensive income for the period	–	–	–	–	(20,825)	–	–	(42,206)	(63,031)	(51)	(63,082)
Lapse of share option	–	–	–	–	–	–	(649)	649	–	–	–
Transactions with owners:											
Contributions and distributions											
Issuance of shares in respect of placing, net of transactions costs	838	3,103	–	–	–	–	–	–	3,941	–	3,941
At 30 June 2025 (unaudited)	5,026	366,455	73,656	2,014	(105,776)	–	–	(478,735)	(137,360)	(3,065)	(140,425)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

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 (other than investment properties).
- c. The other reserve of the Group represents the difference between the nominal value of the 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 the 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).

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	(22,258)	(20,686)
Net cash used in investing activities	(10)	(540)
Net cash generated from financing activities	7,468	18,505
Net decrease in cash and cash equivalents	(14,800)	(2,721)
Cash and cash equivalents at the beginning of the period	13,225	26,041
Effect of exchange rate changes	7,400	(920)
Cash and cash equivalents at the end of the period	5,825	22,400

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 2024, 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 2024 (the “**2024 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 2024 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 2025.

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 six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<i>Hotel operations:</i>		
Hotel room	8,756	16,117
Food and beverage	2,696	3,213
Rental income from hotel properties	1,465	2,364
Others (Note a)	673	373
	13,590	22,067
Distressed debt assets:		
Modification loss (Note b)	–	(19)

Notes:

- The amount mainly represents laundry and car park services from hotel operations.
- The amount arising 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	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Primary geographical markets		
Singapore	8,937	15,967
Japan	4,653	6,100
Total	13,590	22,067

4 LOSS BEFORE INCOME TAX EXPENSE

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

	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Staff costs (Note)	6,189	6,365
Depreciation of property, plant and equipment	5,584	4,767
Depreciation of right-of-use assets	1,298	1,292
Singapore property tax	962	1,668

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 (2024: Nil).

The Group's entities established in the Cayman Islands and British Virgin Islands are exempted from corporate income tax therein.

Singapore corporate income tax has been provided on the estimated assessable profits arising in Singapore at the rate of 17% (2024: 17%).

The subsidiaries in Indonesia are subject to income tax of 25% on their assessable profits as determined in accordance with the relevant Indonesia income tax rules and regulations (2024: 25%).

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits of a subsidiary operating in the PRC (2024: 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 (2024: 33.59%). Japan Profits Tax is calculated based 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 six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax expense		
— Singapore Corporate Income Tax	1,034	1,532

Notes to the Condensed Consolidated Interim Financial Statements

6 LOSSES PER SHARE

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

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Losses		
Losses for the purpose of basic and diluted loss per share	(42,206)	(34,736)
	For the six months ended 30 June	
	2025	2024
Number of shares (thousand):		
Weighted average number of ordinary shares for the purpose of basic loss per share	169,741	167,520
Effect of potential dilutive ordinary shares on convertible bonds	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	169,741	167,520

For the six months ended 30 June 2025 and 2024, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the share consolidation which became effective on 5 March 2025.

For the six months ended 30 June 2025 and 2024, diluted losses per share is the same as basic losses per share as the impact of the potential dilutive ordinary shares outstanding has an anti-dilutive effect on the basic losses 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 2025 (2024: Nil).

8 TRADE AND OTHER RECEIVABLES

As at 30 June 2025, trade and other receivables comprised trade receivables of approximately HK\$809,000 (31 December 2024: approximately HK\$2,569,000).

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 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
Current to 30 days	749	1,881
31 to 60 days	55	668
61 to 90 days	–	7
Over 90 days	5	13
	809	2,569

Notes to the Condensed Consolidated Interim Financial Statements

9 TRADE AND OTHER PAYABLES

As at 30 June 2025, trade and other payables comprised trade payables of approximately HK\$1,557,000 (31 December 2024: approximately HK\$957,000).

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 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
Current to 30 days	1,118	473
31 to 60 days	220	246
61 to 90 days	124	146
Over 90 days	95	92
	1,557	957

As at 30 June 2025, other payables comprised construction payables with current portion of approximately HK\$42,118,000 (31 December 2024: approximately HK\$41,711,000) and non-current portion of approximately HK\$7,601,000 (31 December 2024: approximately HK\$7,526,000).

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 and Japan. 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. Link Hotel has been under renovation since 2024. During the Review Period, the expanded scope of renovation and maintenance works on the annex block and certain parts of the main block of Link Hotel further affected the business of Link Hotel. Such works are expected to be completed by the end of 2025.

Regarding the Group's Hanatsubaki Spa Hotel in Japan, due to the Group's tight financial and human resources and the damage due to the earthquake taken place in the Noto Peninsula of Ishikawa Prefecture in early 2024, the business of Hanatsubaki Spa Hotel is currently not performing as well as expected and therefore the Group may consider to explore possible options 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\$13,590,000 (2024: approximately HK\$22,067,000), representing a decrease of approximately 38.4% as compared to the Last Corresponding Period, which was mainly due to the further decline in total available rooms of Link Hotel in light of the expanded scope of renovation and maintenance works.

Management Discussion and Analysis

For the Review Period, loss attributable to owners of the Company was approximately HK\$42,206,000 (2024: approximately HK\$34,736,000), representing an increase in loss by approximately HK\$7,470,000 or approximately 21.5% as compared with that for the Last Corresponding Period.

The increase in loss for the Review Period was mainly due to the decrease in revenue of the hotel operation in Singapore, resulted from the further reduction of the total available rooms of Link Hotel in light of the expanded scope of renovation and maintenance works.

Basic loss per share for the Review Period was approximately HK cents 24.86 (2024: basic loss per share of approximately HK cents 20.74 (as restated)).

Hotel operation

For the Review Period, room revenue amounted to approximately HK\$8,756,000 (2024: approximately HK\$16,117,000), accounting for approximately 64.4% (2024: approximately 73.0%) of the Group's total revenue from hotel operation. Room revenue represents revenue generated from hotel accommodation in Link Hotel in Singapore and the spa hotel in Japan, which accounted for approximately 65.8% (2024: approximately 72.4%) and 34.2% (2023: approximately 27.6%) of total room revenue for the Review Period, respectively, and depends in part on the achieved average room rate and occupancy rate.

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	
	2025	2024
Total available room nights	16,290	26,754
Occupancy rate	57%	47%
Average room rate (HK\$)	619.5	835.3
RevPAR (HK\$)	354.7	391.2

For the Review Period, food and beverage ("**F&B**") revenue was approximately HK\$2,696,000 (2024: approximately HK\$3,213,000), representing approximately 19.8% (2024: approximately 14.6%) 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.

Management Discussion and Analysis

The Group leases shop units in its hotel and received rental income from hotel tenants. For the Review Period, rental income from hotel tenants was approximately HK\$1,465,000 (2024: approximately HK\$2,364,000), representing approximately 10.8% (2024: approximately 10.7%) of the total revenue from hotel business.

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 did not record any loss from distressed debts assets (net of modification loss) (2024: loss of approximately HK\$19,000). As at the date of this interim report, management is not aware of any issue regarding the ownership and collectability of the distressed debts assets.

Liquidity, financial resources and capital structure

During the Review Period, the Group mainly financed with its own working capital, fund raising activity and bank and other loans. As at 30 June 2025, the Group had net current liabilities of approximately HK\$579,863,000 (2024: approximately HK\$499,600,000), including short-term interest-bearing bank and other borrowings of approximately HK\$489,076,000 (2024: approximately HK\$427,857,000). As at 30 June 2025, the Group also had non-current interest-bearing bank and other borrowings of approximately HK\$5,452,000 (2024: approximately HK\$4,312,000).

The Directors have been closely monitoring the working capital of the Group and considered appropriate funding such as internal operating fund, unutilised facilities, shareholder fund and 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.

Management Discussion and Analysis

Placing of new shares under general mandate

On 3 June 2025, the Company and the placing agent entered into a placing agreement, pursuant to which the Company conditionally agreed to place through the placing agent, on a best effort basis, up to 33,504,000 ordinary shares at the placing price of HK\$0.120 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties.

Completion of the placing took place on 18 June 2025. An aggregate of 33,504,000 placing shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately after completion of the placing, were successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.120 per placing share under general mandate. The placing shares were allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company on 30 May 2025. The aggregate nominal value of the placing shares under the placing is HK\$837,600. The placing price of HK\$0.120 per placing share represents (i) a discount of approximately 16.08% to the closing price of HK\$0.143 per Share as quoted on the Stock Exchange on the date of the placing agreement; and (ii) a discount of approximately 18.37% to the average closing price of HK\$0.147 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the placing agreement.

The gross and net proceeds from the placing are approximately HK\$4,020,000 and HK\$3,824,000, respectively. On such basis, the net price raised per placing share upon completion of the placing is approximately HK\$0.114. All net proceeds from the placing are intended to be used for the general working capital of the Group. As at 30 June 2025, (i) approximately HK\$2,900,000 have been utilised in accordance with the intended purpose, and (ii) approximately HK\$924,000, which has not been utilised, is expected to be utilised in accordance with the intended purpose by the end of 2025.

Reasons for placing

The Directors were of the view that the placing could strengthen the financial position of the Group, provide funding to the Group for the general working capital of the Group. The placing also represented good opportunity to broaden the Shareholders' base and the capital base of the Company.

The Directors had also considered other ways of fund raising such as debt financing, bank borrowing, rights issue or open offer. As regards to debt financing and bank borrowing, having considered that it would increase the gearing level of the Group and the interest expenses and finance costs would impose additional financial burden to the Group's future cash flow, the Board considered that such fund raising method was not the most appropriate method to the Group. As regards to the viability of a rights issue or an open offer, the Directors considered that the rights issue or open offer would incur higher legal cost and the cost for the preparation of the documents and the process would be relatively time consuming. In light of the above, the Board was of the view that the placing was the most appropriate fund raising method and were beneficial to the Company.

For further details, please refer to the announcements of the Company dated 3 June 2025 and 18 June 2025.

Management Discussion and Analysis

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:

I. *Business operations of the Group*

During the Review Period and up to the date of this interim report, the scope of renovation and maintenance works has expanded to cover the annex block and certain parts of the main block of Link Hotel. Such works are expected to be completed by the end of 2025. The business operations of the Group are continuing as usual in all material respects.

II. *Placing of new shares under general mandate*

As disclosed in the paragraph headed "Placing of new shares under general mandate" above, completion of the placing took place on 18 June 2025. An aggregate of 33,504,000 placing shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately after completion of the placing, were successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.120 per placing share under general mandate. The gross and net proceeds from the placing are approximately HK\$4,020,000 and HK\$3,824,000, respectively. As at 30 June 2025, approximately HK\$2,900,000 has been applied towards the general working capital of the Group.

III. *Other progress*

The Group remains committed to securing new sources of financing at a reasonable cost to meet upcoming financial obligations and future operating cash flow requirements. It has also been in active negotiations with its current lender to explore options for extending, refinancing or restructuring existing borrowings, as well as reducing interest rates and/or deferring principal and interest payments. Further, the Group has continued to seek suitable opportunities to dispose of its assets to enhance cash inflows, while implementing cost-control measures to streamline administrative expenses and additional measures to further reduce any discretionary spending.

Significant investments

The Group did not acquire or hold any significant investment during the Review Period (2024: Nil).

Management Discussion and Analysis

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 interim report.

Gearing ratio

The gearing ratio is calculated on the basis of total liabilities over shareholders' equity. As at 30 June 2025, the Group's gearing ratio was not applicable (30 June 2024: approximately 1,811.1%), taking into consideration the total debt of approximately HK\$546,056,000 and total deficit of approximately HK\$140,425,000 recorded by the Group. Since the Group recorded a deficit attributable to owners of the Company as at 30 June 2025, the gearing ratio was not applicable.

Contingent liabilities

As at 30 June 2025, the management of the Group was not aware of any material claim which was threatened against the Group (31 December 2024: Nil).

Share Consolidation and Change in Board Lot Size

On 17 January 2025, the Board proposed that (amongst others): (i) every twenty-five (25) issued and unissued ordinary shares of HK \$0.001 each in the then existing share capital of the Company shall be consolidated into one (1) ordinary share of HK\$0.025 each in the share capital of the Company (the **"Share Consolidation"**); and (ii) the board lot size for trading on the Stock Exchange shall be changed from 2,000 then existing Shares to 6,000 consolidated Shares (the **"Change in Board Lot Size"**) subject to and upon the Share Consolidation becoming effective.

The Share Consolidation and Change in Board Lot Size were approved by the Shareholders at the EGM on 3 March 2025. The Share Consolidation and Change in Board Lot Size became effective on 5 March 2025 and 19 March 2025, respectively. As at the date of this report, the authorised share capital of the Company is HK \$50,000,000 divided into 2,000,000,000 consolidated Shares of par value of HK\$0.025 each, of which 201,024,000 Shares are in issue which and fully paid or credited as fully paid. For details of the Share Consolidation and Change in Board Lot Size, please refer to the Company's circular dated 14 February 2025 and announcement dated 3 March 2025.

Employees and remuneration policies

As at 30 June 2025, the Group engaged a total of 53 employees (31 December 2024: 60). Total staff costs including Directors' remuneration for the Review Period amounted to approximately HK\$6,189,000 (2024: approximately HK\$6,365,000). 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.

Management Discussion and Analysis

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

The Company has adopted a share option scheme pursuant to which eligible participants include the Directors and employees of the Group.

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

Share Option Scheme

A. 2014 Share Option Scheme

Pursuant to the written resolutions passed by the sole Shareholder dated 20 June 2014, the Company adopted a share option scheme (the **"2014 Share Option Scheme"**) for a period of 10 years. The 2014 Share Option Scheme expired on 19 June 2024.

B. 2024 Share Option Scheme

In light of the expiry of the 2014 Share Option Scheme and the amendments to Chapter 23 of the GEM Listing Rules, which took effect on 1 January 2023, the Company has adopted a new share option scheme (the **"2024 Share Option Scheme"**), which is valid for 10 years from 31 May 2024, pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 31 May 2024. The following is a summary of the principal terms of the 2024 Share Option Scheme:

(a) Purpose

The purpose of the 2024 Share Option Scheme is to (a) allow the Company to grant share options to the eligible participants as rewards or incentives for their contributions to the Group; (b) enable the Group to attract and retain the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group; and (c) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group.

(b) Participants

Participants include (i) employee participant(s), being director(s) and employee(s) (whether full-time or part-time) of any member of the Group, including persons who are granted share options under the 2024 Share Option Scheme as inducement to enter into employment contracts with any member of the Group; (ii) related entity participant(s), being director(s) and employee(s) (whether full-time or part-time) of any holding company, fellow subsidiary or

Management Discussion and Analysis

associated company of the Company; and (iii) service provider(s), being any person(s) (natural person or corporate entity) who provide(s) services to any member of the Group on a continuing or recurring basis in their respective ordinary and usual course of business, which are in the interests of the long-term growth of the Group, including but not limited to, (I) independent contractor(s), agent(s) or supplier(s) of services to any member of the Group; and (II) advisor(s) (professional or otherwise) or consultant(s) to any area of business or business development of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

(c) *Grant of share options*

An offer shall remain open for acceptance by the participant concerned for a period of 28 days from the date of grant. An offer shall be deemed to have been accepted when the Company receives from the grantee the duplicate offer letter comprising acceptance of the share option(s) duly signed by the grantee specifying the number of Shares in respect of which the offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of share option.

(d) *Exercise price*

The exercise price shall be determined by the Board in its absolute discretion but in any event must be at least the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares, provided that the exercise price may be subject to adjustment in accordance with the terms of the 2024 Share Option Scheme.

(e) *Time of exercise of share options*

Subject to the terms of the 2024 Share Option Scheme, a share option may be exercised in whole or in part by the grantee (or, as the case may be, his/her personal representative(s)) at any time during the period to be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the date of grant but subject to the provisions for early termination of the 2024 Share Option Scheme.

Management Discussion and Analysis

(f) *Vesting period*

Save for the circumstances set out in the 2024 Share Option Scheme, a share option must be held by the grantee for at least twelve (12) months before it can be exercised.

The Board may at its discretion grant a shorter vesting period to an employee participant in the following circumstances: (a) grants of “make-whole” Option(s) to new employee participants to replace the share option(s) or award(s) they forfeited when leaving their previous employers; (b) grants to an employee participant whose employment is terminated due to death or occurrence of any event out of his/her control; (c) grants that are made in batches during a year for administrative and compliance reasons, which include share options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the share options would have been granted; (d) grants of share options with a mixed or accelerated vesting schedule such as where the share options may vest evenly over a period of twelve (12) months; or (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

(g) *Maximum number of shares available for issue*

- (i) Subject to the GEM Listing Rules, the maximum number of Shares which may be issued upon the exercise of all share options which may be granted under the 2024 Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders’ approval, in aggregate exceed 10% of the total number of Shares in issue on the adoption date (the “**Scheme Mandate Limit**”). Share options lapsed in accordance with the terms of the 2024 Share Option Scheme and (as the case may be) such other share schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).
- (ii) Subject to paragraph (i) above, within the Scheme Mandate Limit, the maximum number of Shares which may be issued to the service providers upon the exercise of all share options which may be granted under the 2024 Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders’ approval, in aggregate exceed 1% of the total number of Shares in issue on the adoption date (the “**Service Provider Sublimit**”).

Management Discussion and Analysis

- (iii) The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit under the 2024 Share Option Scheme after three (3) years from the adoption date (or the date of Shareholders' approval for the last refreshment) provided that (I) the maximum number of Shares which may be issued upon exercise of all share options which may be granted under the 2024 Share Option Scheme under the Scheme Mandate Limit as refreshed together with all options and awards which may be granted under any other share schemes of the Company must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshed Scheme Mandate Limit; (II) the maximum number of Shares which may be issued upon exercise of all share options which may be granted under the 2024 Share Option Scheme under the Service Provider Sublimit as refreshed must not exceed 1% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshed Service Provider Sublimit; and (III) any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit shall be subject to such Shareholders' approval and circular requirements as may be required by the GEM Listing Rules from time to time. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the adoption date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.
- (iv) The Company may grant share options beyond the Scheme Mandate Limit to participant(s) if (I) separate Shareholders' approval in general meeting has been obtained for granting share options beyond the Scheme Mandate Limit to participant(s) specifically identified by the Company before such Shareholders' approval is sought; (II) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to the Shareholders containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular; and (III) the number and terms of the share options to be granted to such participant(s) shall be fixed before the approval of the Shareholders (and the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price).

Management Discussion and Analysis

(h) *Maximum entitlement of each participant*

Where any grant of share options to a participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant share scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting, and the following provisions shall apply: (i) the grant is only to a participant specifically identified by the Company before the Shareholders' approval is sought; (ii) a circular, which must disclose the identity of the participant in question, the number and terms of the share options to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting share options to the participant and an explanation as to how the terms of the share options serve such purpose, shall be despatched to the Shareholders; and (iii) the number and terms of the share options to be granted to such participant must be fixed before the approval of the Shareholders (and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price).

(i) *Life of 2024 Share Option Scheme*

The 2024 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date (i.e. 31 May 2024). As at the date of this report, the 2024 Share Option Scheme has a remaining life of approximately 8.8 years.

(j) *Termination*

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the 2024 Share Option Scheme before the end of its life, and in such event, no further share option(s) may be granted but in all other respects the provisions of the 2024 Share Option Scheme shall remain in full force and effect in respect of share options which are granted during the life of the 2024 Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the 2024 Share Option Scheme. Share options granted prior to such termination but not exercised, or in respect of which Shares are not yet issued to the Grantee, shall continue to be valid and exercisable in accordance with the 2024 Share Option Scheme.

Management Discussion and Analysis

As disclosed in the announcement of the Company dated 26 January 2024, during the term of the 2014 Share Option Scheme, a total of 52,350,000 options were granted on 26 January 2024 thereunder to subscribe for an aggregate of up to 52,350,000 ordinary shares of HK\$0.001 each in the share capital of the Company. No performance target nor clawback mechanism was attached to such share options. Upon the expiry of the 2014 Share Option Scheme, no further option was granted but in respect of all options which remain exercisable at the end of such period, the provisions of the 2014 Share Option Scheme shall remain in full force and effect. A table showing the summary of movements of the share options granted under the 2014 Share Option Scheme during the Review Period is set out as follows:

Name or category of participant	Date of grant	Number of share options outstanding at 1 January 2025	Number of share options granted/ exercised during the Review Period	Number of share options lapsed or cancelled during the Review Period	Number of share options outstanding at 30 June 2025	Exercise period	Exercise price of share options (HK\$ per share)
Employees							
Mr. Chen Chang Zheng	26 January 2024	41,880,000	–	(1,675,200) (after adjustment) (Note 1)	–	26/01/2025- 25/01/2034	1.00 (after adjustment)
Ms. Dong Han Kun	26 January 2024	10,470,000	–	(10,470,000) (Note 2)	–	26/01/2025- 25/01/2034	0.04 (Note 3)
		52,350,000	–		–		

Notes:

- With effect from 23 April 2025, following share consolidation effective on 5 March 2025, 1,675,200 adjusted share options, which were held by Mr. Chen Chang Zheng, lapsed as he ceased to be an employee and therefore ceased to be a participant in accordance with the terms of the 2014 Share Option Scheme.

Management Discussion and Analysis

2. With effect from 1 February 2025, prior to share consolidation effective on 5 March 2025, 10,470,000 share options, which were held by Ms. Dong Han Kun, lapsed as she resigned and therefore ceased to be a participant in accordance with the terms of the 2014 Share Option Scheme.
3. The exercise price represented a premium of approximately 17.65% over the higher of (i) the closing price of HK\$0.034 per then existing Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant and immediately before the date of grant; (ii) the average closing price of HK\$0.0328 per then existing Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a then existing Share of HK\$0.001.

Following the resolutions passed by the Shareholders at the annual general meeting held on 31 May 2024, the number of options available for grant under the scheme mandate and the service provider sublimit as at 1 January 2025 were 418,800,000 and 41,880,000, respectively.

As the share consolidation became effective on 5 March 2025, as at 30 June 2025, the total number of shares available for issue under the scheme mandate and the service provider sublimit were 16,752,000 and 1,675,200, representing 10% and 1% of the issued Shares as at the date of this report, respectively.

No share option has been granted under the 2024 Share Option Scheme since its adoption.

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 2025, certain property, plant and equipment of the Group with net carrying amount of approximately HK\$138,119,000 (31 December 2024: approximately HK\$121,870,000) were pledged to secure for the banking facilities.

Management Discussion and Analysis

Dividend

The Directors do not recommend the payment of any dividend for the Review Period. (2024: Nil).

FACILITY AGREEMENT AND SPECIFIC PERFORMANCE COVENANT ON CONTROLLING SHAREHOLDERS

Reference is made to the announcement of the Company dated 12 December 2024. On 30 October 2024, Hang Huo Investment Pte. Ltd. ("**HHI**"), as borrower, Link Hotels International Pte. Ltd. ("**LHI**"), as operating company, and the Company entered into a facility agreement (the "**Facility Agreement**") with an independent third party (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\$75 million bearing a fixed interest rate of 9% per annum from the initial utilisation date to (but excluding) the date falling six months from the initial utilisation date (the "**Midterm Date**") and a rate of (9%+A%) per annum from the Midterm Date (where A shall be 1% as at the Midterm Date and shall increase by 1% on each date falling monthly after the Midterm Date). The Loan Facility is secured by (i) a charge over the operating account of LHI executed by LHI, (ii) a legal mortgage over Link Hotel executed by HHI, (iii) a fixed and floating charge over all assets and undertaking of HHI executed by HHI and (iv) a charge over the shares of HHI executed by Silverine Pacific Ltd ("**Silverine**"), all in favour of the Lender. The Loan Facility together with all interest accrued thereon shall become payable on the date falling 12 months from the initial utilisation date. Each of HHI, LHI and Silverine is a 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).

Utilisation request under the Facility Agreement was delivered by HHI on 6 December 2024 and S\$75 million had been drawn down to (i) repay and discharge the 2015 Convertible Bonds and the loan provided by Swettenham Capital Pte. Ltd.; (ii) finance working capital of the Group; and (iii) repay fees, costs and expenses incurred by HHI and other affiliates within the Group in connection with the negotiation and execution of the Facility Agreement and the utilisation(s) of the Loan Facility.

Management Discussion and Analysis

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

If Ace Kingdom Enterprises Corporation ("**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, Silverine and/or the Company:

- (i) HHI, LHI, Silverine and the Company 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.

BREACH OF THE FACILITY AGREEMENT

As disclosed in the announcement of the Company dated 5 August 2025, in June 2025, the Group failed to pay interest accrued pursuant to the terms of the Facility Agreement when due, and HHI therefore requested the Lender to extend the interest payment deadline to 25 July 2025 (the "**Extended Payment Deadline**"). On 24 July 2025, in consideration of the Lender agreeing to the extension request, HHI (as borrower), LHI (as operating company and guarantor), the Company (as guarantor), Silverine (as parent company and acceding as guarantor) and the Lender entered into an amendment and restatement agreement to amend and restate the terms of the Facility Agreement.

The Group has failed to pay the aforesaid interest accrued and such default interest accruing thereon on or before the Extended Payment Deadline (the "**Breach**"). On 1 August 2025, the Group received a letter from the Lender, notifying (among other things) that an event of default has occurred as a result of the Breach. On and at any time after the occurrence of an event of default which is continuing, the Lender may declare that all or part of the loans, together with the accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable, whereupon they shall become immediately due and payable. As at the date of this report, the aggregate outstanding principal amount of the Loan Facility remains as S\$75 million.

Management Discussion and Analysis

The Group is in active negotiations with the Lender for a waiver in respect of the Breach, and to explore options for extending, refinancing or restructuring existing borrowing as well as reducing interest rates and/or deferring principal and interest payments. As at the date of this report, the Lender has not made any demand for immediate repayment of the Loan Facility. In addition, the Group is seeking for new sources of financing at a reasonable cost to meet upcoming financial obligations and future operating cash flow requirements.

OUTLOOK

The Company is cautiously optimistic about its future prospects as it navigates the recovery from the COVID-19 pandemic. 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, the Singapore 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 Link Hotel has been keen on seeking operation partner(s) to enhance the overall performance.

The Group's Hanatsubaki Spa Hotel in Japan is another promising venture contributing to the Company's future growth, subject to the 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. Hanatsubaki Spa Hotel in Japan was reopened in the third quarter of 2023. However, due to the Group's tight financial and human resources and the damage due to the earthquake taken place in the Noto Peninsula of Ishikawa Prefecture in early 2024, 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.

The Company recognises the gravity of its current liquidity challenges. Active efforts are being made to secure refinancing to stabilise 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.

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. During the Review Period, there were changes in the composition of the Audit Committee. As at 1 January 2025, the Audit Committee consisted of four independent non-executive Directors, namely Ms. Tam Mei Chu, Ms. Chan Wai Ki, Joffee, Mr. Ho Sing Wai and Mr. Chan So Kuen; and Ms. Tam Mei Chu was the chairman of the Audit Committee. With effect from 6 January 2025 and as at 30 June 2025 and the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Tang Chiu Ming Jeremy, Ms. Chan Wai Ki, Joffee and Mr. Ho Sing Wai ; and Mr. Tang Chiu Ming Jeremy is the chairman of the Audit Committee.

The condensed consolidated financial statements of the Group 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.

Management Discussion and Analysis

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for, among other things, reviewing and making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management.

During the Review Period, there were changes in the composition of the Remuneration Committee. As at 1 January 2025, the Remuneration Committee consisted of four independent non-executive Directors, namely Ms. Chan Wai Ki Joffee, Ms. Tam Mei Chu, Mr. Chan So Kuen and Mr. Ho Sing Wai; and Ms. Chan Wai Ki Joffee was the chairman of the Remuneration Committee. With effect from 6 January 2025 and as at 30 June 2025 and the date of this report, the Remuneration Committee consists of three independent non-executive Directors, namely Ms. Chan Wai Ki Joffee, Mr. Tang Chiu Ming Jeremy and Mr. Ho Sing Wai; and Ms. Chan Wai Ki Joffee remains as the chairman of the Remuneration Committee.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

The nomination and corporate governance committee of the Board (the **"Nomination and Corporate Governance Committee"**) is responsible for, among others, (i) reviewing the structure, size, composition and diversity of the Board, (ii) identifying individuals suitably qualified to become members of the Board, and (iii) developing and reviewing the Company's policies and practices on corporate governance.

During the Review Period, there were changes in the composition of the Nomination and Corporate Governance Committee. As at 1 January 2025, the Nomination and Corporate Governance Committee consisted of one non-executive Director, namely Mr. Wong Chun Hung Hanson, and three independent non-executive Directors, namely Mr. Chan So Kuen, Ms. Tam Mei Chu and Ms. Chan Wai Ki Joffee; and Mr. Wong Chun Hung Hanson was the chairman of the Nomination and Corporate Governance Committee. With effect from 6 January 2025 and as at 30 June 2025 and the date of this report, the Nomination and Corporate Governance Committee comprises one non-executive Director, namely Mr. Wong Chun Hung Hanson, and two independent non-executive Directors, namely Ms. Chan Wai Ki Joffee and Mr. Tang Chiu Ming Jeremy; and Mr. Wong Chun Hung Hanson remains as the chairman of the Nomination and Corporate Governance Committee.

Other Information

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Group had complied with the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the GEM Listing Rules throughout the Review Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has 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 the code of conduct regarding Directors' securities transactions throughout the Review Period.

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.

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.

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

As at 30 June 2025, 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 (Chapter 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	Approximate percentage of shareholding (Note 1)
Mr. Lui Tin Shun (" Mr. Lui ")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Wong Chun Hung Hanson (" Mr. Wong ")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Yuen Lai Him (" Mr. Yuen ")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%

Notes:

1. As at 30 June 2025, the total number of issued shares of the Company was 201,024,000.

Other Information

2. As at 30 June 2025, (i) Ace Kingdom is a company owned as to 36% by Boomerang Investment Limited, 35% by Mr. Kwok Yi Chit, 20% by Billion Supreme Holdings Limited and 9% by Mr. Yuen Lai Him (being a non-executive Director); (ii) Boomerang Investment Limited is ultimately owned as to 50% by Mr. Wong Chun Hung Hanson (being a non-executive Director), 25% by Mr. Wong Hoi Cheung and 25% by Mr. Lui Tin Shun (being an executive Director); (iii) Billion Supreme Holdings Limited is ultimately owned as to 75% by Mr. Hui Ngai and 25% by Mr. Ng Tin Wai; and (iv) Mr. Yuen Lai Him, Mr. Wong Hoi Cheung, Mr. Lui Tin Shun and Mr. Chiu Kung Chik (being a non-executive Director) are the directors of Ace Kingdom. Mr. Lui, Mr. Wong and Mr. Yuen are deemed to be interested in the shares of the Company held by Ace Kingdom under Part XV of the SFO.

Save as those disclosed above, as at 30 June 2025, none of the Directors and chief executive had any interests or short positions in the shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.45 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2025, 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 (Note 1)
Ace Kingdom	Beneficial owner	97,725,600 (Note 2)	48.61%
Boomerang Investment Limited ("Boomerang")	Interest of controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Kwok Yi Chit ("Mr. Kwok")	Interest of controlled corporation	97,725,600 (Note 2)	48.61%
Billion Supreme Holdings Limited ("Billion")	Interest of controlled corporation	97,725,600 (Note 2)	48.61%
CMI Financial Holding Company Limited ("CMI Hong Kong")	Beneficial owner	27,600,000 (Note 3)	13.73%
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	27,600,000 (Note 3)	13.73%

Other Information

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage of shareholding (Note 1)
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	27,600,000 (Note 3)	13.73%
China Orient Asset Management Corporation ("China Orient")	Beneficial owner	12,400,000 (Note 4)	6.17%

Notes:

- As at 30 June 2025, the total number of issued shares of the Company was 201,024,000.
- As at 30 June 2025, (i) Ace Kingdom is a company owned as to 36% by Boomerang Investment Limited, 35% by Mr. Kwok Yi Chit, 20% by Billion Supreme Holdings Limited and 9% by Mr. Yuen Lai Him (being a non-executive Director); (ii) Boomerang Investment Limited is ultimately owned as to 50% by Mr. Wong Chun Hung Hanson (being a non-executive Director), 25% by Mr. Wong Hoi Cheung and 25% by Mr. Lui Tin Shun (being an executive Director); (iii) Billion Supreme Holdings Limited is ultimately owned as to 75% by Mr. Hui Ngai and 25% by Mr. Ng Tin Wai; and (iv) Mr. Yuen Lai Him, Mr. Wong Hoi Cheung, Mr. Lui Tin Shun and Mr. Chiu Kung Chik (being a non-executive Director) are the directors of Ace Kingdom.
- 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.
- Pursuant to the disclosure of interest form filed by China Orient in February 2023, it had a deemed interest in 310,000,000 shares held by its controlled corporation. Accordingly, following share consolidation effective on 5 March 2025, based on the said disclosure of interest form, China Orient had a deemed interest in 12,400,000 Shares held by its controlled corporation.

Other Information

Save as disclosed above, as at 30 June 2025, 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, 22 August 2025

- # 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.