Link Holdings Limited
華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8237)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of 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 the 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 announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*

ANNUAL RESULTS

The board of Directors (the "Board") is pleased to announce the consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014, together with the comparative audited figures for the year ended 31 December 2013.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 HK$	2013 HK$
Revenue	5	**67,828,429**	78,433,094
Cost of sales		**(21,615,900)**	(24,807,845)
Gross profit		**46,212,529**	53,625,249
Other income	6	**1,140,999**	6,802,161
Selling expenses		**(2,455,865)**	(2,924,492)
Administrative expenses		**(40,022,407)**	(22,379,692)
Finance costs	7	**(5,397,877)**	(6,549,639)
Gain on changes in fair value of investment properties		**2,254,909**	–
Fair value gain/(loss) on derivative financial instruments		**135,243**	(554,290)
Profit before income tax expense	8	**1,867,531**	28,019,297
Income tax expense	9	**(3,350,947)**	(4,640,649)
(Loss)/Profit for the year		**(1,483,416)**	23,378,648
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**(15,583,547)**	(3,641,586)
Total comprehensive income for the year		**(17,066,963)**	19,737,062
(Loss)/Profit attributable to:			
Owners of the Company		**(2,203,704)**	23,378,648
Non-controlling interests		**720,288**	–
		(1,483,416)	23,378,648
Total comprehensive income attributable to:			
Owners of the Company		**(17,015,538)**	19,737,062
Non-controlling interests		**(51,425)**	–
		(17,066,963)	19,737,062
(Losses)/Earnings per share			
– Basic and diluted (HK cents per share)	10	**(0.09)**	1.11

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Property, plant and equipment	12	**79,171,863**	92,964,866
Investment properties	13	**137,012,996**	–
Prepaid lease payments		**78,874,387**	83,928,172
Deposits for acquisition of land and buildings		**–**	64,922,184
Total non-current assets		**295,059,246**	241,815,222
Current assets			
Hotel inventories		**164,190**	431,209
Trade and other receivables	14	**8,728,444**	9,845,777
Amount due from a related company		**–**	80,783,347
Amount due from a director	19	**776,037**	–
Cash and cash equivalents		**102,476,136**	56,390,284
Total current assets		**112,144,807**	147,450,617
Current liabilities			
Trade and other payables	15	**7,996,217**	11,118,055
Amount due to non-controlling interests	19	**23,012,351**	–
Obligations under finance leases		**–**	59,940
Interest-bearing bank borrowings	16	**134,560,166**	75,337,642
Provision for taxation		**4,533,878**	6,780,885
Derivative financial instruments	17	**2,294,296**	3,483,662
Total current liabilities		**172,396,908**	96,780,184
Net current (liabilities)/assets		**(60,252,101)**	50,670,433
Total assets less current liabilities		**234,807,145**	292,485,655
Non-current liabilities			
Interest-bearing bank borrowings	16	**80,199,009**	170,024,700
Deferred tax liabilities		**435,379**	229,337
Derivative financial instruments	17	**293,855**	3,104,509
Total non-current liabilities		**80,928,243**	173,358,546
Net assets		**153,878,902**	119,127,109
Equity			
Share capital	18	**2,800,000**	15
Reserves		**146,423,163**	114,419,930
		149,223,163	114,419,945
Non-controlling interests		**4,655,739**	4,707,164
Total equity		**153,878,902**	119,127,109

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital HK$	Share premium HK$	Other reserve HK$ (Note)	Translation reserve HK$	Retained earnings HK$	Total HK$	Non-controlling interests HK$	Total equity HK$
At 1 January 2013	9	–	–	4,342,448	90,340,420	94,682,877	–	94,682,877
Profit for the year	–	–	–	–	23,378,648	23,378,648	–	23,378,648
Other comprehensive income								
– Exchange differences arising on translation of foreign operations	–	–	–	(3,641,586)	–	(3,641,586)	–	(3,641,586)
Total comprehensive income for the year	–	–	–	(3,641,586)	23,378,648	19,737,062	–	19,737,062
Share issued	6	–	–	–	–	6	–	6
Share issued to non-controlling interests in a subsidiary	–	–	–	–	–	–	4,707,164	4,707,164
At 31 December 2013 and 1 January 2014	**15**	**–**	**–**	**700,862**	**113,719,068**	**114,419,945**	**4,707,164**	**119,127,109**
(Loss)/Profit for the year	**–**	**–**	**–**	**–**	**(2,203,704)**	**(2,203,704)**	**720,288**	**(1,483,416)**
Other comprehensive income								
– Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**(14,811,834)**	**–**	**(14,811,834)**	**(771,713)**	**(15,583,547)**
Total comprehensive income for the year	**–**	**–**	**–**	**(14,811,834)**	**(2,203,704)**	**(17,015,538)**	**(51,425)**	**(17,066,963)**
Elimination of share capital upon reorganisation	**(15)**	**–**	**15**	**–**	**–**	**–**	**–**	**–**
Shares issued	**1**	**–**	**–**	**–**	**–**	**1**	**–**	**1**
Capitalisation issue *(Note 18(a))*	**2,099,999**	**(2,099,999)**	**–**	**–**	**–**	**–**	**–**	**–**
Placing of new shares *(Note 18(b))*	**700,000**	**121,800,000**	**–**	**–**	**–**	**122,500,000**	**–**	**122,500,000**
Share issues expenses	**–**	**(12,054,306)**	**–**	**–**	**–**	**(12,054,306)**	**–**	**(12,054,306)**
Dividend declared and paid *(Note 11)*	**–**	**–**	**–**	**–**	**(58,626,939)**	**(58,626,939)**	**–**	**(58,626,939)**
At 31 December 2014	**2,800,000**	**107,645,695**	**15**	**(14,110,972)**	**52,888,425**	**149,223,163**	**4,655,739**	**153,878,902**

Note: 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 subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND THE REORGANISATION EXERCISE AND BASIS OF PRESENTATION

1.1 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, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has been registered in Hong Kong under Part XI of the Companies Ordinance as an overseas company on 5 August 2013. The ordinary shares of the Company (the "Shares") have been listed on the GEM of the Stock Exchange since 7 July 2014.

The Company is an investment holding company and its subsidiaries are principally engaged in hotel ownership and operation of hotel services.

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2015.

1.2 The reorganisation exercise and basis of presentation

Pursuant to a reorganisation scheme to rationalise the structure of the Group in preparation for the listing of the Shares on the GEM of the Stock Exchange ("Reorganisation"), the Company became the holding company of the companies now comprising the Group on 20 June 2014.

Details of the Reorganisation are set out in the section headed "History, Development and Corporate Structure" in the prospectus of the Company dated 30 June 2014 (the "Prospectus").

The Reorganisation upon completion is accounted for as reorganisation under common control using the principle of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements as set out in this report for the years ended 31 December 2013 and 31 December 2014 have been prepared by adopting the merger basis of accounting. The consolidated income statements, the consolidated statements of comprehensive income, and the consolidated statements of changes in equity of the Group for the years ended 31 December 2013 and 31 December 2014 include the results and cash flows of all companies now comprising the Group, as if the current structure had been in existence throughout the period of 2013, or since their respective dates of acquisition or incorporation/establishment, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2013 and 31 December 2014 have been prepared to present the state of affairs of the Group as if the current structure had been in existence at these dates or since their respective dates of acquisition or incorporation/establishment, whichever is the shorter period.

2 ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Adoption of new/revised IFRSs – effective 1 January 2014

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	Investment entities
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC Interpretation 21	Levies

The adoption of these amendments has no material impact on the Group's consolidated financial statements.

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
IFRS 9 (2014)	Financial Instruments[3]
IFRS 15	Revenue from Contracts with Customers[2]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

IFRS 9 (2014) – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

IFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Directors anticipated that the application of these new pronouncements will have no material impact on the Group's consolidated financial statements.

3 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable IFRSs, International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as "IFRSs") issued by the International Accounting Standards Board (the "IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and financial instruments, which are measured at fair values. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

During the year, the Group has incurred a loss of HK$1,483,416 and at the end of reporting period, its current liabilities exceeded its current assets by HK$60,252,101.

The consolidated financial statements have been prepared on a going concern basis as the directors are confident that the Group will be able to meet its financial obligations as they fall due for twelve months from 31 December 2014, on the basis that (a) the Group has been applying for extension of the repayment terms of the existing loan of approximately HK$88 million that will fall due in the coming twelve months and has confident that the application will be approved; (b) the Group has available facilities up to approximately HK$46.8 million; and (c) the Group's future operations can generate sufficient cash flows. The directors do not consider it probable that the bank will exercise its discretion to demand repayment of the loans within the next twelve months from 31 December 2014 as the Group continues to fulfil the covenants relating to drawn down facilities. Accordingly, the directors are of the opinion that, in the absence of unforeseen circumstances, the Group will have sufficient financial resources to finance its working capital requirements for the next twelve months from the reporting date and it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2014 on a going concern basis notwithstanding the net current liabilities position of the Group.

The consolidated financial statements did not include any adjustments that may result in the event that the Group is unable to continue as a going concern. In the event that the Group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4 OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision marker considers the business primarily on the basis of the geographical locations. During the year, the Group acquired of land and buildings in Indonesia. The activities in Indonesia have become a new reportable and operating segment of the Group and are separately assessed by the chief operating decision marker. The Group has two reportable segments. The following summary describes the operations in each of the Group's reportable segments:

– Singapore
– Indonesia

(a) Reportable segments

Management assesses the performance of the operating segments based on a measure of segment results which represents the net of revenues, incomes and gains, costs and expenditures directly attributable to each operating segment. Central administrative cost are not allocated to the operating segments as they are not included in the measure of the segment results that are used by the chief operating decision-marker for assessment of segment performance.

The following is an analysis of the Group's revenue and results by reportable segment for the year:

Segment revenue and results

	Singapore	**Indonesia**	**Total**
	HK$	***HK$***	***HK$***
For the year ended 31 December 2014			
External Revenue	**65,992,099**	**1,836,330**	**67,828,429**
Segment profit	**14,677,750**	**1,755,654**	**16,433,404**
Corporate income			
– Others			**90,000**
Central administrative cost			**(14,791,116)**
Fair value gain on derivative financial instruments			**135,243**
Profit before income tax expense			**1,867,531**

	Singapore	Indonesia	Total
	HK$	*HK$*	*HK$*
For the year ended 31 December 2013			
External Revenue	78,433,094	–	78,433,094
Segment profit	29,908,125	–	29,908,125
Central administrative cost			(1,334,538)
Fair value loss on derivative financial instruments			(554,290)
Profit before income tax expense			28,019,297

Segment profit represents the profit earned by each segment without allocation of corporate income, which includes other income, fair value gain/(loss) on derivative financial instruments and central administrative cost. This is the information reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Segment assets

All assets are allocated to reportable segments other than prepayment, amount due from a director and cash and cash equivalent.

	2014	2013
	HK$	*HK$*
Singapore	**165,161,411**	266,657,961
Indonesia	**138,769,669**	64,922,184
Total segment assets	**303,931,080**	331,580,145
Unallocated	**103,272,973**	57,685,694
Consolidated assets	**407,204,053**	389,265,839

Segment liabilities

All liabilities are allocated to reportable segments other than derivative financial instruments, provision for taxation and deferred tax liabilities.

	2014	2013
	HK$	*HK$*
Singapore	**222,233,112**	256,540,337
Indonesia	**23,012,351**	–
Total segment liabilities	**245,245,463**	256,540,337
Unallocated	**8,079,688**	13,598,393
Consolidated liabilities	**253,325,151**	270,138,730

Other segment information

Amounts included in the measure of segment profit or segment assets:

	Singapore *HK$*	**Indonesia** *HK$*	**Total** *HK$*
For the year ended 31 December 2014			
Additions to property, plant and equipment	**664,130**	**–**	**664,130**
Depreciation of property, plant and equipment	**(11,008,701)**	**–**	**(11,008,701)**
Amortisation of prepaid lease payments	**(1,585,420)**	**–**	**(1,585,420)**
Gain on changes in Fair value of investment properties	**–**	**2,254,909**	**2,254,909**
Gain on disposal of property, plant and equipment	**52,029**	**–**	**52,029**
Impairment loss on trade receivables	**(126,150)**	**–**	**(126,150)**
Interest income	**172,123**	**–**	**172,123**
Interest expenses	**(5,397,877)**	**–**	**(5,397,877)**

Amounts included in the measure of segment profit or segment assets:

	Singapore *HK$*	Indonesia *HK$*	Total *HK$*
For the year ended 31 December 2013			
Additions to property, plant and equipment	253,803	–	253,803
Depreciation of property, plant and equipment	(4,542,282)	–	(4,542,282)
Amortisation of prepaid lease payments	(1,606,021)	–	(1,606,021)
Interest income	6,257,757	–	6,257,757
Interest expenses	(6,549,639)	–	(6,549,639)

(b) Geographical information

The Group's revenue is derived from activities located in Singapore and Indonesia. The following table provides an analysis of the Group's non-current assets.

	Non-current assets As at 31 December	
	2014	2013
	HK$	*HK$*
Singapore	**158,025,450**	176,893,038
Indonesia	**137,012,996**	64,922,184
Hong Kong	**20,800**	–
	295,059,246	241,815,222

(c) Information about major customers

The Group did not have any single customer contributed more than 10% of the Group's revenue during the year.

5. REVENUE

An analysis of the Group's revenue representing the aggregate amount of income from hotel operations and rental income from investment properties. An analysis of revenue is as follows:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Hotel room	**54,656,272**	64,056,992
Food and beverage	**5,564,154**	8,290,223
Rental income from hotel properties	**3,967,294**	3,838,984
Rental income from investment properties	**1,836,330**	–
Others *(note 1)*	**1,804,379**	2,246,895
	67,828,429	78,433,094

Note 1: The amount mainly represents laundry and car park services.

6. OTHER INCOME

Other income is analysed as follows:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Interest income *(note 1)*	**–**	6,257,757
Government grants *(note 2)*	**303,422**	200,120
Interest income from bank deposits	**172,123**	–
Others	**665,454**	344,284
	1,140,999	6,802,161

Note 1: The amount represents interest income from a related company. The directors confirmed that the above transaction had been discontinued from 1 January 2014.

Note 2: The government grants represent Special Employment Credit and Productivity and Innovation Credit received from Singapore Government and Inland Revenue Authority of Singapore respectively during the year. There are no unfulfilled conditions or contingencies attached to these grants.

7. FINANCE COSTS

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Interest on bank borrowings		
– Wholly repayable within five years	**3,018,148**	3,185,452
– Not wholly repayable within five years	**2,105,924**	2,341,764
Bank overdraft interest	**273,021**	1,015,274
Finance leases interest	**784**	7,149
	5,397,877	6,549,639

The analysis shows the finance costs of bank borrowings, including term loans which contain the agreed scheduled repayment dates and a repayment on demand clause. For the years ended 31 December 2014 and 2013, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$1,187,618 and HK$1,916,649 respectively.

8. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after (crediting)/charging:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Staff costs (excluding directors' remuneration)		
Wages and salaries	**12,911,110**	16,133,584
Short-term non-monetary benefits	**1,177,800**	1,284,759
Contributions to defined contribution plans	**2,185,403**	2,365,007
	16,274,313	19,783,350
Depreciation of property, plant and equipment		
– Owned	**10,852,205**	4,406,898
– Held under finance leases	**156,496**	135,384
	11,008,701	4,542,282
Gain on changes in fair value of investment properties	**(2,254,909)**	–
Gain on disposal of property, plant and equipment	**(52,029)**	–
Fair value (gain)/loss on derivative financial instruments	**(135,243)**	554,290
Auditor's remuneration	**899,364**	223,222
Amortisation of prepaid lease payments	**1,585,420**	1,606,021
Impairment loss on trade receivables	**126,150**	–
Listing expenses	**10,635,770**	2,401,232
Singapore property taxes	**3,018,314**	3,280,737

9. 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 year (2013: Nil). Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 17% (2013: 17%). Taxes on profits assessable in elsewhere have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

The subsidiary in Indonesia is subject to final income tax at a rate of 10% (2013: 10%) on its gross rental income as determined in accordance with the relevant Indonesia income tax rules and regulations.

The amount of taxation in the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Current – Singapore Corporate Income Tax		
– Tax for the year	**2,835,018**	4,640,649
– Under provision in respect of prior year	**106,807**	–
Current – Indonesia Corporate Income Tax		
– Tax for the year	**183,633**	–
	3,125,458	4,640,649
Deferred tax		
– Current year	**225,489**	–
Total income tax expense for the year	**3,350,947**	4,640,649

The income tax expense for the year can be reconciled to the profit before income tax expense per the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
Profit before income tax expense	**1,867,531**	28,019,297
Tax at Singapore Corporate Income Tax rate of 17%	**317,480**	4,763,280
Effect of different tax rate of subsidiary operating in other jurisdictions	**(280,744)**	–
Tax effect of expense not deductible for tax purpose	**4,006,589**	1,369,756
Tax effect of income not taxable for tax purpose	**(691,005)**	(620,407)
Effect of tax exemptions	**(824,892)**	(874,495)
Tax effect of tax loss not recognised	**691,108**	–
Under provision in prior year	**106,807**	–
Others	**25,604**	2,515
Income tax expense for the year	**3,350,947**	4,640,649

No deferred tax has been recognised as in respect of unused tax loss due to the unpredictability of future profit stream. The unused tax loss can be carried forward indefinitely.

10. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic (losses)/earnings per share attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$	*HK$*
(Losses)/Earnings		
(Losses)/Earnings for the purpose of basic earnings per share	**(2,203,704)**	23,378,648
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share *(note (a))*	**2,454,794,521**	2,100,000,000

Notes:

(a) Weighted average of 2,454,794,521 (2013 (restated): 2,100,000,000) ordinary shares are derived from 2,800,000,000 ordinary shares, being the number of shares in issue during the year (2013 (restated): 2,100,000,000) ordinary shares, being the number of shares in issue after the completion of capitalisation issue immediately before the completion of share placing).

(b) For the purpose of calculation of basic (losses)/earnings per share for the years ended 31 December 2014 and 2013, the share subdivision being effective on 16 October 2014 was deemed to be effective throughout the period from 1 January 2013 to 31 December 2014.

The diluted (losses)/earnings per share for the years are the same as basic (losses)/earnings per share as there are no dilutive ordinary shares.

11. DIVIDEND

On 3 April 2014, the Group declared a final dividend for the year ended 31 December 2013 in the aggregate amount of approximately HK$58,627,000, for partial settlement of amount due from a related company. The Directors do not recommend payment of final dividend for the year ended 31 December 2014.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2014, the Group acquired property, plant and equipment amounting to approximately HK$685,000 (2013: HK$254,000). There is change of useful lives in certain assets due to hotel renovation. This change in useful lives of the affected assets has increased the depreciation charge by approximately HK$6,400,000 for the year ended 31 December 2014 (2013: Nil).

13. INVESTMENT PROPERTIES

The Group transferred the deposits for acquisition of land and buildings to investment properties with fair value of approximately HK$145,742,000 (equivalent of SG$23,500,000) as evidence by having obtained the legal title of the land and buildings in June 2014.

	Year ended 31 December 2014 *HK$*
At 1 January	**–**
Transferred from deposits for acquisition of land and buildings	**145,742,300**
Change in fair value *(note 8)*	**2,254,909**
Exchange differences	**(10,984,213)**
At 31 December	**137,012,996**

The fair value of the Group's investment properties as at 31 December 2014 has been arrived at on the basis of a valuation carried out at the end of reporting period by Colliers International (Hong Kong) Limited, independent qualified professional valuers not connected to the Group. They have relevant professional qualifications and recent experience in the location and category of the investment properties being valued.

The valuations of the vacant parcels of land are determined based on direct comparison approach and leasehold land and buildings are determined based on income capitalisation approach.

In relation to direct comparison approach, the valuation is based on the market comparable approach that reflects recent transaction prices for similar properties. Prices of comparable properties in close proximity are adjusted for differences in key attributes regarding property location, size, time, accessability, surrounding environment and other relevant factors.

In respect of income capitalisation approach, the valuation is determined using the discounted cash flow method, based on the estimated rental value of the property. The valuation takes account of expected occupancy rates and annual growth in average daily room rate of the properties. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

Significant unobservable inputs

Direct comparison approach (Level 3):	
Market unit rate with adjustment for property location, size, time, accessability, surrounding environment and other relevant factors – per square meter	**HK$231**
Income capitalisation approach (Level 3):	
Market unit rent	**HK$384**
Annual growth rate	**5%**
Occupancy rate on available room basis	**64%**
Discount rate	**12.9%**
Capitalisation rate	**9%**

The higher the market unit rent, annual growth rate, occupancy rate, the higher the fair value, and vice versa. The higher the discount rate and capitalisation rate, the lower the fair value, and vice versa.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. During the year ended 31 December 2014, there were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy (2013: Nil). The directors estimated that the effect on the fair value of investment properties in response to reasonably possible changes in key inputs would be insignificant for the year ended 31 December 2014.

The investment properties are located outside Hong Kong and held under medium-term lease.

14. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2014	2013
	HK$	*HK$*
Trade receivables *(note)*	**7,543,741**	7,267,157
Less: Allowance for impairment loss	**–**	(25,382)
	7,543,741	7,241,775
Prepayments	**318,435**	525,625
Prepayments for listing costs	**–**	1,295,410
Deposits	**644,504**	638,674
Other receivables	**221,764**	144,293
	8,728,444	9,845,777

Note: As at 31 December 2014, trade receivables included an amount of approximately HK$1,757,000 (2013: Nil), which was receivable from non-controlling interests, who held 20% equity interest in the Company's subsidiary, PT Hang Huo Investment.

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 as at the end of reporting period, based on the invoice date, is as follows:

	At 31 December	
	2014	2013
	HK$	*HK$*
Current to 30 days	**4,074,354**	3,518,300
31 to 60 days	**1,441,247**	2,307,295
61 to 90 days	**674,720**	705,055
Over 90 days	**1,353,420**	736,507
	7,543,741	7,267,157
Less: Allowance for impairment loss	**–**	(25,382)
	7,543,741	7,241,775

The below table reconciled the impairment loss of trade receivables for the year:

	Year ended 31 December	
	2014	2013
	HK$	*HK$*
At 1 January	**25,382**	79,566
Impairment loss recognised	**126,150**	–
Bad debts written off	**(151,571)**	(51,409)
Exchange differences	**39**	(2,775)
At 31 December	**–**	25,382

Trade receivables that are individually determined to be impaired at the end of reporting period relate to debtors that are in significant difficulty and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The aged analysis of trade receivables that are net of impairment loss, at the end of reporting period, is as follows:

	At 31 December	
	2014	2013
	HK$	*HK$*
Neither past due nor impaired	**3,668,801**	3,367,291
Within 1 month past due	**1,482,388**	2,300,061
1 to 3 months past due	**1,165,097**	863,300
3 to 12 months past due	**762,975**	466,180
More than 1 year past due	**464,480**	244,943
	7,543,741	7,241,775

Trade receivables that were neither past due nor impaired relate to a large number of diversified independent customers for whom there was no recent history of default.

Trade receivables that were neither past due nor impaired relate to a number of diversified independent customers that have a good track record within the Group. Based on past experience, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

15. TRADE AND OTHER PAYABLES

	At 31 December 2014 HK$	2013 HK$
Trade payables *(note)*	**1,273,186**	2,562,914
Receipt in advance	**1,425,605**	442,054
Accruals and other payables	**5,297,426**	8,113,087
	7,996,217	11,118,055

Note: 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 reporting period, based on the invoice dates, is as follows:

	At 31 December 2014 HK$	2013 HK$
Current to 30 days	**1,137,803**	1,407,898
31 – 60 days	**94,553**	934,372
61 – 90 days	**1,401**	104,909
Over 90 days	**39,429**	115,735
	1,273,186	2,562,914

16. INTEREST-BEARING BANK BORROWINGS

	At 31 December 2014 HK$	2013 HK$
Current		
Secured		
– bank borrowings due for repayment within one year	**99,426,806**	20,318,842
– bank borrowings due for repayment which contain a repayment on demand clause	**35,133,360**	55,018,800
	134,560,166	75,337,642
Non-Current		
Secured		
– bank borrowings due for repayment after one year	**80,199,009**	170,024,700
	214,759,175	245,362,342

Bank borrowings bear interest at 1.25% (2013: 1.25%) per annum above the bank's Singapore swap offer rate. The effective interest rate ranged from 2.17% to 2.25% (2013: from 2.00% to 2.20%).

The Group's banking facilities and its interest-bearing bank borrowings are secured by:

- the pledge of certain property, plant and equipment of the Group with net carrying amount of approximately HK$76,258,000 (2013: HK$88,388,000) as at 31 December 2014;

- a fixed and floating charge on all of the Group's assets and undertakings;

- corporate guarantees from the Company and the Company's subsidiary; and

- a charge over an operating account of the Company's subsidiary.

At 31 December 2014, total current and non-current bank borrowings were scheduled to repay as follows:

	At 31 December	
	2014	2013
	HK$	*HK$*
On demand or within one year	**134,560,166**	75,337,642
More than one year, but not exceeding two years	**11,414,829**	86,378,905
More than two years, but not exceeding five years	**30,955,963**	34,070,086
After five years	**37,828,217**	49,575,709
	214,759,175	245,362,342

Note: The amounts due are based on the scheduled repayment dates in the loan agreements and ignore the effect of repayment on demand clause.

Certain of the banking facilities are subject to the fulfilment of covenants relating to the aggregate market value of the Group's properties, which are to maintain the outstanding balances of interest-bearing bank borrowings at the end of the reporting period less than a specific ratio. If the Group breaches the covenants, the drawn down facilities shall become repayable on demand.

The Group regularly monitors its compliance with these covenants and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. As at 31 December 2014, none of the covenants relating to drawn down facilities had been breached (2013: Nil).

17. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments represent interest rate swap contracts held by the Group, in which the contracts period range from 5 to 7 years with the maturity dates on 7 September 2015 and 14 March 2016.

The following table details the interest rate swaps outstanding as at the end of the reporting period:

	Contracted fixed interest rate	**Fair value at 31 December 2014** *HK$*	Fair value at 31 December 2013 *HK$*	**Maturity date**
Swap #1	2.63%	**766,508**	1,766,898	14 March 2016
Swap #2	2.63%	**1,129,913**	2,604,590	14 March 2016
Swap #3	2.01%	**691,730**	2,216,683	7 September 2015
Total		**2,588,151**	6,588,171	
Less: Current portion		**(2,294,296)**	(3,483,662)	
Non-current portion		**293,855**	3,104,509	

At 31 December 2014, the notional amount of the outstanding interest rate swap contracts were approximately HK$157.4 million (2013: HK$181.4 million).

The interest rate swap contracts are settled on a monthly basis. The interest rate swaps and the interest payments on the loan occur simultaneously. The floating rate on the interest rate swaps is the Singapore swap offer rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The fair value of derivative financial instruments is based on valuation reports prepared by AVISTA Valuation Advisory Limited. These valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The derivative financial instruments in the consolidated statements of financial position in accordance with the fair value hierarchy are described below. The hierarchy groups financial liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of theses financial liabilities. The fair value hierarchy has the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The Group's financial instruments in the consolidated statement of financial position is approximately HK$2,588,000 (2013: HK$6,588,000) as at 31 December 2014 are grouped into level 2 (2013: Level 2) of the fair value hierarchy.

During the year ended 31 December 2014, there were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy (2013: Nil).

18. SHARE CAPITAL

Group

The Reorganisation was completed on 20 June 2014, hence, share capital as at 31 December 2013 represents the combined share capital of the companies comprising the Group. As at 31 December 2014, share capital represents the Company's issued share capital after elimination of the Company's investments in subsidiaries.

Company

The movements in the issued ordinary share capital during the year are as follows:

	At 31 December **2014** *HK$*	2013 *HK$*
Authorised:		
50,000,000,000 (2013: 38,000,000) ordinary shares of HK$0.001 (2013: HK$0.01) each	**50,000,000**	380,000
Issued and fully paid:		
2,800,000,000 (2013: 100) ordinary shares of HK$0.001 (2013: HK$0.01) each	**2,800,000**	1

The movements in issued share capital were as follows:

	2014		2013	
	Number of shares in issue	**Issued share capital** *HK$*	Number of shares in issue	Issued share capital *HK$*
At 1 January	**100**	**1**	1	0.01
Issue of shares to shareholders	**–**	**–**	99	0.99
Capitalisation issue *(note a)*	**209,999,900**	**2,099,999**	–	–
Placing of new shares *(note b)*	**70,000,000**	**700,000**	–	–
Share subdivision *(note c)*	**2,520,000,000**	**–**	–	–
At 31 December	**2,800,000,000**	**2,800,000**	100	1

(a) Pursuant to the written resolution passed by the shareholders on 20 June 2014, the directors were authorised to allot and issue a total of 209,999,900 shares by way of capitalisation of the sum of HK$2,099,999 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 209,999,900 shares for allotment and issue to the shareholders in proportion to their respective shareholdings.

(b) In connection with the Company's placing completed on 30 June 2014, the Company issued 70,000,000 shares of HK$0.01 each at a price of HK$1.75 per share for a total subscription price (before related fees and expenses) of HK$122,500,000. Dealings in the shares on the GEM of the Stock Exchange commenced on 7 July 2014.

(c) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting of the Company held on 15 October 2014, each existing share of the Company was subdivided into ten subdivided shares. Immediately upon the share subdivision became effective on 16 October 2014, the Company had 2,800,000,000 shares in issue and fully paid.

All new shares issued during the year rank pari passu in all respects with the then existing shares.

19. RELATED PARTY TRANSACTIONS

(i) The Group had the following material transactions with related parties during the year:

Names of related party	Nature of transaction	Year ended 31 December 2014 HK$	2013 HK$
Mr. Tjiagus Thamrin Non-controlling interests	Rental income (a)	**1,836,330**	–
Hang Huo Enterprise Group Limited Ultimate holding company	Interest income (b)	**–**	6,257,757

(a) The related party transactions were carried out on terms mutually agreed between the Group and the non-controlling interests, and conducted in the ordinary and usual course of the Group's business.

(b) The related party transactions were carried out on terms mutually agreed between the Group and the director, and conducted in the ordinary and usual course of the Group's business. The directors confirmed that the above transaction had been discontinued from 1 January 2014.

(ii) Compensation of key management personnel of the Group, including directors' remuneration is as follows:

	Year ended 31 December 2014 HK$	2013 HK$
Salaries, allowances and benefits in kind	**1,793,807**	1,507,986
Contributions to defined contribution plans	**99,586**	74,407
	1,893,393	1,582,393

(iii) At 31 December 2013, the banking facilities and interest-bearing bank borrowings of the Group were supported by personal guarantees executed by directors and corporate guarantee by the Company's subsidiary. During the year, the personal guarantees executed by directors was replaced by the Company's corporate guarantees.

(iv) Details of the Group's balances with related parties are disclosed as follows:

	At 31 December 2014 HK$	2013 HK$
(a) Amount due from a related company		
Hang Huo Enterprise Group Limited		
– Interest bearing *(note 1)*	**–**	43,873,422
– Non-interest bearing *(note 2)*	**–**	36,909,925
	–	80,783,347
(b) Amount due from a director		
Mr. Ngan Iek *(note 3)*	**776,037**	–
(c) Amount due to non-controlling interests *(note 4)*	**23,012,351**	–

Related company is controlled by the common directors of the Group.

Note 1: The amount due from a related company is non-trade in nature, unsecured, bears interest of 3.5% per annum and is repayable on demand. The directors of the Company confirmed that the amount due from the related company as at 31 December 2013 was fully repaid in April 2014.

Note 2: The amount due from a related company balances is non-trade in nature, unsecured, interest-free and are repayable on demand. The directors of the Company confirmed that the amount due from the related company as at 31 December 2013 was fully repaid in April 2014.

Note 3: Amount due from a director – Mr. Ngan Iek is unsecured, interest-free and repayable on demand.

Note 4: Amount due to non-controlling interests is unsecured, interest-free and repayable on demand.

The Group has not made any provision on impairment for bad or doubtful debts in respect of related parties debtors, nor has any guarantee been given or received during the year ended 31 December 2014 regarding related party balances (2013: Nil).

20. CAPITAL COMMITMENTS

The Group had the following capital commitments:

	At 31 December	
	2014	2013
	HK$	*HK$*
Contracted, but not provided for, in respect of		
Hotel renovation	**731,945**	–
Acquisition of land and buildings *(note)*	**–**	78,738,016

Note: The acquisition of land and buildings located in Bintan, Indonesia was completed and legal title of the land and buildings was obtained in June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2014 (the "Year"), the Company continued to stay focus on the operation of Link Hotel in Singapore and completed the acquisition of Bintan Assets (as defined in the Prospectus) located in Indonesia. The master plan of the development of Bintan Assets is under discussion.

FINANCIAL HIGHLIGHTS

For the Year, the Group recorded a revenue of approximately HK$67.8 million (2013: HK$78.4 million), accounting for a decrease of 13.5% from the year ended 31 December 2013. The performance of the Group dropped by 106.4% from profits of HK$23.4 million in 2013 to loss of HK$1.5 million in 2014. The decrease in revenue and loss is primarily attributable to (i) the drop in occupancy rate and average room rate at Link Hotel; (ii) the non-recurring expenses in connection with the listing of the securities on the GEM; (iii) the absence of interest income received from a related company and (iv) the accelerated depreciation of property, plant and equipment arising from hotel renovation.

Loss attributable to owners of the Company was HK$2,203,704 (2013: profit of HK$23,378,648). Basic losses per share was HK$0.09 cents (2013: earnings per share of HK$1.11 cents). The Board does not recommend the payment of any dividend for the Year (2013: approximately HK$58.6 million).

Following the Group's listing on the Stock Exchange, the Group now has a much stronger position from which to maintain its current business and to develop its roadmap. Listed on the GEM on 7 July 2014, the Group raised net proceeds from the placing of shares of the Company as disclosed in the Prospectus (the "Placing") of approximately HK$97.1 million. As at 31 December 2014, cash and cash equivalents was HK$102,476,136 (2013: HK$56,390,284).

BUSINESS REVIEW

The Group commenced operations of its hotel business in Singapore with the opening of Link Hotel in 2007. The operation of Link Hotel has been and is expected to continue to be its principal business.

Hotel operation

For the Year, room revenue amounted to HK$54,656,272 (2013: HK$64,056,992) accounting for 80.6% (2013: 81.7%) of the Group's total revenue. Room revenue represents revenue generated from hotel accommodation in Link Hotel 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") for the years indicated:

	2014	2013
Total Available Room Nights	**103,498**	105,120
Occupancy rate	**57.5%**	62.9%
Average room rate (HK$)	**834.0**	968.2
RevPAR (HK$)	**479.6**	609.4

For the Year, F&B revenue was HK$5,564,154 (2013: HK$8,290,223), representing 8.2% (2013: 10.6%) of the total revenue. F&B revenue represents the sale of food and beverages in the restaurant, bar, room service and meeting space of Link Hotel.

The Group leased shop units located at Link Hotel and received rental income from hotel tenants. For the Year, rental income from hotel tenants was HK$3,967,294 (2013: HK$3,838,984) representing 5.9% (2013: 4.9%) of the total revenue.

Other income mainly comprises of interest income amounted to HK$172,123 (2013: nil) and Singapore government grants of HK$303,422 (2013: HK$200,120). No interest income received from a related company during the Year (2013: HK$6,257,757).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Year, the Group mainly financed its operations with its own working capital and bank loans. As at 31 December 2014, the Group had net current liabilities of HK$60,252,101 (2013: net current assets of HK$50,670,433), including cash and cash equivalents of HK$102,476,136 (2013: HK$56,390,284) and interest-bearing bank borrowing of HK$134,560,166 (2013: HK$75,337,642).

The gearing ratio calculated based on our total debts (being interest-bearing bank borrowings and payable incurred not in the ordinary course of business) divided by our total equity and multiplied by 100% as at 31 December 2014 was 139.6% (2013: 206.0%).

The Directors are confident that the Group will be able to meet its financial obligations as they fall due for twelve months from 31 December 2014, on the basis that (a) the Group has been applying for extension of the repayment terms of the existing loan of approximately HK$88 million that will fall due in the coming twelve months and has confident that the application will be approved; (b) the Group has available facilities up to approximately HK$46.8 million; and (c) the Group's future operations can generate sufficient cash flows. The directors do not consider it probable that the bank will exercise its discretion to demand repayment of the loans within the next twelve months from 31 December 2014 as the Group continues to fulfil the covenants relating to drawn down facilities.

OPERATING LEASE ARRANGEMENTS

The Group leases certain retail space and areas of its hotel properties under operating lease arrangements, with leases negotiated for terms ranging from 1 to 2 years. At 31 December 2014, the Group had total future minimum lease receivables under non-cancellable operating leases of approximately HK$4.7 million (2013: HK$2.7 million fell within 5 years) would fall within 1 year. In addition, the Group had total future minimum lease payments under non-cancellable operating leases of office rental of approximately HK$0.7 million (2013: HK$1.0 million) which are repayable within 5 years.

SIGNIFICANT INVESTMENTS

The Group does not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, the Group completed the acquisition of investment properties in Bintan, Indonesia.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any material contingent liabilities (2013: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group hired a total of 60 employees (2013: a total of 69). Total staff costs excluding Directors' remuneration for the Year amounting to approximately HK$16.3 million (2013: HK$19.8 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.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate.

SHARE OPTION SCHEME

During the Year, no option has been granted and there has been no movement of any options granted (if any) under the share option scheme adopted by the Company on 20 June 2014.

FOREIGN CURRENCY EXPOSURE

Substantially all the transactions of the Company's major subsidiaries are carried out in Singapore dollar, which is the functional currency of the major subsidiaries. Therefore, the risk on foreign currency risk is minimal.

CHARGES ON GROUP ASSETS

As at 31 December 2014, certain properties of the Group located in Singapore with an aggregate net carrying amount of approximately HK$76.3 million (2013: HK$88.4 million) were used to secure the banking facilities.

SEGMENT INFORMATION

During the Year, the Group has two reportable segments on the basis of the geographical locations which are Singapore and Indonesia.

DIVIDENDS

The Directors do not recommend payment of any divided in the respect of the Year (2013: approximately HK$58.6 million).

USE OF PROCEEDS IN THE PLACING

Listed on the GEM on 7 July 2014, the Group raised net proceeds of approximately HK$97.1 million from the Placing.

The following is a summary of the use of proceeds for the amount of approximately HK$97.1 million after the Placing:

	Intended amount *HK$ (million)*	**Intended usage up to 31 December 2014** *HK$ (million)*	**Actual approximate amount utilized up to 31 December 2014** *HK$ (million)*
Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation	60.0	30.0	0.4
Devising a master plan for the future development of the Bintan Assets	26.1	3.0	0.1
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	6.0	2.0	–
	92.1	35.0	0.5

The Directors plan to use the remaining net proceeds of approximately HK$5.0 million for working capital and other general corporate purpose. As at 31 December 2014, such net proceeds have already been utilized for working capital and other general corporate purpose.

The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

All the unutilised balances have been placed in licensed banks in Singapore and Hong Kong.

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

The following is a summary of the actual progress of the Group compared with the business strategies set out in the Prospectus.

Business strategies in the Prospectus	**Actual operation progress up to 31 December 2014**
Enhancing the performance and upgrade the quality of Link Hotel by undergoing overall renovation	The renovation planning is in progress and is expected to be completed in the 2nd half of 2015
Devising a master plan for the future development of the Bintan Assets	The master plan of the development of Bintan Assets is under discussion with professional parties
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	The Group is seeking opportunities in hotel management and franchising business in Southeast Asian countries
Further strengthening our sales and marketing force	The Group is recruiting experienced sales and marketing persons
Continuing to identify sites and/or seek acquisition opportunities to expand our hotel business in Southeast Asian countries	During the Year, the Group completed the acquisition of investment properties in Bintan, Indonesia

OUTLOOKS

Growth of visitor arrivals in Singapore has been primarily led by emerging Asian economies. As these markets are predominantly value-oriented visitors, Link Hotel is likely to attract such demands. The renovation of Link Hotel is in progress and is expected to be completed in the second half of 2015. It is expected that after the completion of the renovation, the facilities of the hotel will be greatly upgraded and the occupancy nights and average room rates will be increased.

The Board expects that the demand for hotel rooms and resorts in Bintan will continue to grow. After the completion of the development of Bintan Assets, the revenue from Bintan Assets is expected to be the new growth driver for the Group. We will seize every opportunity arising from the growing market in order to bring optimal returns to our shareholders.

AUDIT COMMITTEE

The Group has an audit committee (the "Audit Committee") which was established for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises the three independent non-executive Directors. Mr. Chan So Kuen is the chairman of the Audit Committee.

The Audit Committee has met with the external auditor of the Group to review the accounting principles and policies adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this announcement and financial statements of the Group for the Year.

COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Year and up to and including the date of this announcement.

COMPLIANCE ADVISER

As updated and notified by the Company's compliance adviser, Guotai Junan Capital Limited ("Guotai Junan"), none of Guotai Junan, or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company as at 31 December 2014 pursuant to Rule 6A.32 of the GEM Listing Rules.

Pursuant to the agreement dated 7 April 2014 entered into between Guotai Junan and the Company, Guotai Junan received and will receive fees for acting as the compliance adviser of the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, none of the Directors who had an interest and short position in shares, underlying shares or debenture of the Company and its associated corporation (with the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) was required (a) to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under section 352 of the SFO; or (c) to notify the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors referred to in Rule 5.46 of the GEM Listing Rules.

As at 31 December 2014, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will 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 will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, will be as follows:

Long positions in shares of the Company

Name	Capacity	Number of shares	Percentage of shareholding
Vertic Holdings Limited ("Vertic")	Beneficial Owner	210,000,000	75%
Mr. Ngan Iek	Interest in controlled corporation *(Note 1)*	210,000,000	75%
Ms. Cheng Wing Shan	Interest of spouse *(Note 2)*	210,000,000	75%

Notes:

1. Vertic is a company beneficially owned as to 50% by Mr. Ngan Iek, 25% by Ms. Ngan Iek Chan and 25% by Ms. Ngan Iek Peng. Mr. Ngan Iek is the elder brother of Ms. Ngan Iek Chan and Ms. Ngan Iek Peng. Mr. Ngan Iek is deemed to be interested in the shares of the Company held by Vertic under Part XV of the SFO. Mr. Ngan Iek is a director of Vertic.

2. Ms. Cheng Wing Shan is the spouse of Mr. Ngan Iek. Ms. Cheng Wing Shan is deemed to be interested in all the Shares in which Mr. Ngan Iek is interested in under Part XV of the SFO.

Long positions in Vertic, an associated corporation of the Company

Name of Directors	Nature of interest	Number of shares held in the associated corporation	Position	Approximate percentage of shareholding in the associated corporation
Mr. Ngan Iek	Beneficial owner	500	Long	50%
Ms. Ngan Iek Peng	Beneficial owner	250	Long	25%
Datuk Siew Pek Tho	Interest of spouse *(Note)*	250	Long	25%

Note: Datuk Siew Pek Tho is the spouse of Ms. Ngan Iek Chan who is the beneficial owner of 25% shareholdings in Vertic. Datuk Siew Pek Tho is deemed to be interested in the 25% shareholdings in Vertic held by Ms. Ngan Iek Chan under Part XV of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as the Directors are aware, as at 31 December 2014, the Directors were not aware of any other person 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 who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

INTEREST AND SHORT POSITIONS OF OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS

As at 31 December 2014, no person or company (not being a director or chief executive of the Company) had any interests and/or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE CODE

During the period from the date of listing of the shares of the Company, i.e. 7 July 2014, to 31 December 2014, the Company has complied with the code provisions set out in the Corporate Governance Code contained in the Appendix 15 to the GEM Listing Rules.

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

For the period from 7 July 2014 to 31 December 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Link Holdings Limited
Ngan Iek
Chairman and Non-Executive Director

Hong Kong, 31 March 2015

As at the date of this announcement, the executive Directors are Datuk Siew Pek Tho, Mr. Chen Changzheng and Mr. Wong Ip; the non-executive Directors are Mr. Ngan Iek and Ms. Ngan Iek Peng; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Lai Yang Chau, Eugene and Mr. Chan So Kuen.

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

This announcement will remain on the "Latest Company Announcements" page of the GEM Website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.linkholdingslimited.com.