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 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "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 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 in this announcement misleading.

* *For identification purposes only*

ANNUAL RESULTS

The board of Directors (the "Board") is pleased to announce the consolidated annual audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016, together with the comparative audited figures for the year ended 31 December 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 HK$	2015 HK$
Revenue	5	**52,336,912**	41,961,139
Cost of sales		**(18,945,416)**	(16,605,745)
Gross profit		**33,391,496**	25,355,394
Other income	6	**1,787,551**	708,584
Selling expenses		**(1,990,321)**	(1,909,729)
Administrative expenses		**(33,410,151)**	(32,767,629)
Finance costs	7	**(9,353,084)**	(6,277,119)
Gain on changes in fair value of investment properties		**20,649,800**	14,889,738
Fair value gain on derivative financial instruments		**25,045**	274,571
Share of results of an associate		**6,554,223**	–
Profit before income tax (expense)/credit	8	**17,654,559**	273,810
Income tax (expense)/credit	9	**(5,715,950)**	1,023,185
Profit for the year		**11,938,609**	1,296,995
Other comprehensive income that will not be reclassified to profit or loss:			
Gain on revaluation of properties		**1,861,599**	76,818,222
Tax expense related to gain on revaluation of properties		**(316,472)**	(13,059,098)
Share of other comprehensive income of an associate		**595,145**	–
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**(4,513,162)**	(11,437,213)
Other comprehensive income for the year, net of tax		**(2,372,890)**	52,321,911
Total comprehensive income for the year		**9,565,719**	53,618,906
Profit/(Loss) attributable to:			
Owners of the Company		**10,675,733**	(1,979,068)
Non-controlling interests		**1,262,876**	3,276,063
		11,938,609	1,296,995
Total comprehensive income attributable to:			
Owners of the Company		**7,720,166**	50,176,310
Non-controlling interests		**1,845,553**	3,442,596
		9,565,719	53,618,906
Earnings/(Losses) per share			
– Basic and diluted (HK cents per share)	10	**0.31**	(0.07)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		At 31 December	
		2016	2015
	Notes	***HK$***	*HK$*
Non-current assets			
Property, plant and equipment	*12*	**194,697,115**	192,136,997
Investment properties	*12*	**168,596,836**	142,642,525
Prepaid lease payments		**74,843,367**	72,397,016
Investment in an associate	*13*	**33,125,020**	–
Prepayments for construction	*14*	**98,293,536**	–
Deposits for acquisition of lands	*15*	**5,825,446**	10,956,600
Deposits paid in connection with the acquisition of an associate		**–**	1,662,721
Total non-current assets		**575,381,320**	419,795,859
Current assets			
Hotel inventories		**95,653**	103,619
Trade and other receivables	*16*	**4,046,785**	8,081,901
Cash and cash equivalents		**187,600,277**	325,996,570
Total current assets		**191,742,715**	334,182,090
Current liabilities			
Trade and other payables	*17*	**19,043,712**	31,029,543
Obligations under finance lease		**175,524**	–
Amount due to non-controlling interests		**8,464,814**	21,379,555
Amount due to a related company		**50,000,000**	–
Amount due to a director		**7,707,457**	29,500,000
Interest-bearing bank borrowings		**73,425,196**	58,572,830
Provision for taxation		**1,040,461**	377,337
Derivative financial instruments		**–**	209,934
Total current liabilities		**159,857,164**	141,069,199
Net current assets		**31,885,551**	193,112,891
Total assets less current liabilities		**607,266,871**	612,908,750
Non-current liabilities			
Obligations under finance lease		**264,319**	–
Interest-bearing bank borrowings		**123,273,608**	143,160,547
Deferred tax liabilities		**16,728,619**	11,559,366
Convertible bonds		**15,478,362**	13,653,792
Total non-current liabilities		**155,744,908**	168,373,705
Net assets		**451,521,963**	444,535,045
Equity			
Share capital		**3,490,000**	3,490,000
Reserves		**442,508,678**	432,774,276
		445,998,678	436,264,276
Non-controlling interests		**5,523,285**	8,270,769
Total equity		**451,521,963**	444,535,045

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to owners of the Company									
	Share capital HK$	Share premium HK$ (Note a)	Hotel properties revaluation reserve HK$ (Note b)	Other reserve HK$ (Note c)	Translation reserve HK$ (Note d)	Convertible bonds reserve HK$ (Note e)	Retained earnings HK$	Total HK$	Non-controlling interests HK$	Total equity HK$
At 1 January 2015	2,800,000	107,645,695	–	15	(14,110,972)	–	52,888,425	149,223,163	4,655,739	153,878,902
(Loss)/Profit for the year	–	–	–	–	–	–	(1,979,068)	(1,979,068)	3,276,063	1,296,995
Other comprehensive income										
– Gain on revaluation of properties	–	–	76,818,222	–	–	–	–	76,818,222	–	76,818,222
– Tax expense related to gain on revaluation of properties	–	–	(13,059,098)	–	–	–	–	(13,059,098)	–	(13,059,098)
– Exchange differences arising on translation of foreign operations	–	–	–	–	(11,603,746)	–	–	(11,603,746)	166,533	(11,437,213)
Total comprehensive income for the year	–	–	63,759,124	–	(11,603,746)	–	(1,979,068)	50,176,310	3,442,596	53,618,906
Shares issued	690,000	227,010,000	–	–	–	–	–	227,700,000	–	227,700,000
Shares issues expenses	–	(1,533,446)	–	–	–	–	–	(1,533,446)	–	(1,533,446)
Shares issued to non-controlling interests in a subsidiary	–	–	–	–	–	–	–	–	172,434	172,434
Issue of convertible bonds	–	–	–	–	–	10,698,249	–	10,698,249	–	10,698,249
At 31 December 2015 and 1 January 2016	**3,490,000**	**333,122,249**	**63,759,124**	**15**	**(25,714,718)**	**10,698,249**	**50,909,357**	**436,264,276**	**8,270,769**	**444,535,045**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**10,675,733**	**10,675,733**	**1,262,876**	**11,938,609**
Other comprehensive income										
– Gain on revaluation of properties	**–**	**–**	**1,861,599**	**–**	**–**	**–**	**–**	**1,861,599**	**–**	**1,861,599**
– Tax expense related to gain on revaluation of properties	**–**	**–**	**(316,472)**	**–**	**–**	**–**	**–**	**(316,472)**	**–**	**(316,472)**
– Share of other comprehensive income of an associate	**–**	**–**	**595,145**	**–**	**–**	**–**	**–**	**595,145**	**–**	**595,145**
– Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(4,596,547)**	**–**	**–**	**(4,596,547)**	**1,220,528**	**(3,376,019)**
– Effect of change in functional currency	**–**	**–**	**–**	**–**	**260,862**	**–**	**(760,154)**	**(499,292)**	**(637,851)**	**(1,137,143)**
Total comprehensive income for the year	**–**	**–**	**2,140,272**	**–**	**(4,335,685)**	**–**	**9,915,579**	**7,720,166**	**1,845,553**	**9,565,719**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**2,014,236**	**–**	**–**	**–**	**2,014,236**	**(4,593,037)**	**(2,578,801)**
At 31 December 2016	**3,490,000**	**333,122,249**	**65,899,396**	**2,014,251**	**(30,050,403)**	**10,698,249**	**60,824,936**	**445,998,678**	**5,523,285**	**451,521,963**

Notes:

a. The share premium account of the Group represents the premium arising from the issuance of shares at premium.

b. Hotel properties revaluation reserve represents the gains arising on the revaluation of hotel buildings of the Group and the associate (other than investment property).

c. The other reserve of the Group represents the difference between the nominal value of 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. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in a subsidiary acquired.

d. 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. 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).

NOTES TO THE CONSOLIDATED 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, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Unit No. 3503, 35/F of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The ordinary shares of the Company (the "Shares") are listed on the GEM of the Stock Exchange.

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

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2017.

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

(a) Adoption of new/revised IFRSs – effective 1 January 2016

IFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception

For the current year, the Group was applied for the first time the above new/revised IASs and amendments which is relevant to and effective to the Group's financial statements for annual period beginning on 1 January 2016. The adoption of these and new/revised IASs amendments and has no material effect on the Group's 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 7	Disclosure Initiative[1]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Leases[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

Amendments to IAS 7 – Disclosure Initiative
The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses
The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

IFRS 9 – 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.

Amendments to IFRS 15 – Revenue from Contracts with Customers
The amendments to IFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

IFRS 16 – Leases

IFRS 16, which upon the effective date will supersede IAS 17 "Leases"and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

The Directors anticipated that the application of these new pronouncements will have no material impact on the Group's 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 Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, hotel buildings 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.

(c) Change in accounting policy

In previous years, the Group's buildings were carried in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. In accordance with IAS 16 Property, Plant and Equipment, leasehold land and buildings can either be accounted for using the cost model or the revaluation model after their initial recognition. The Directors reassessed the appropriateness of this accounting policy during the year and concluded that by using the revaluation model under IAS 16, the consolidated financial statements world provide more appropriate and relevant information about the Group's results and financial position. Consequently, the Group changed its accounting policies of buildings to follow the revaluation model under IAS 16 with effect from 30 June 2015. The change in accounting policy of buildings from the cost model to the revaluation model is accounted for prospectively.

(d) Change in functional currency

The subsidiaries in Indonesia changed their functional currency from Singapore dollar ("SGD") to Indonesian Rupiah ("IDR") with effect from 1 January 2016 to reflect the current and prospective economic substance of the underlying transactions and circumstances of those subsidiaries. As a result of the expiry of rental income contract, there was increasing influence of IDR over those subsidiaries in terms of operating activities and this triggered the change in functional currency. In prior years, the subsidiaries' transactions with their customers were denominated in SGD.

The effect of the change in the functional currency to IDR was applied prospectively. The Group translated all items into the new functional currency using the exchange rate as at 1 January 2016.

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. The Group has two reportable segments. The following summary describes the operations in each of the Group's reportable and operating segments:

- Singapore
- Indonesia

(a) Reportable segments

Management assesses the performance of the operating segments based on the 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-maker 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 *HK$*	**Indonesia** *HK$*	**Total** *HK$*
For the year ended 31 December 2016			
External Revenue	**52,336,912**	**–**	**52,336,912**
Segment profit	**848,304**	**20,461,099**	**21,309,403**
Corporate income			
– Others			**845,180**
Central administrative cost			**(11,079,292)**
Fair value gain on derivative financial instruments			**25,045**
Share of results of an associate			**6,554,223**
Profit before income tax expense			**17,654,559**

	Singapore *HK$*	Indonesia *HK$*	Total *HK$*
For the year ended 31 December 2015			
External Revenue	38,575,759	3,385,380	41,961,139
Segment (loss)/profit	(10,444,247)	18,119,127	7,674,880
Corporate income			
– Others			51,579
Central administrative cost			(7,727,220)
Fair value gain on derivative financial instruments			274,571
Profit before income tax credit			273,810

Segment results represents the profit/(loss) earned by each segment without allocation of corporate income, which includes other income, fair value gain on derivative financial instruments, share of results of an associate and central administrative cost. Central administrative cost mainly included legal and professional fees, corporate staff costs and rental expenses. 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 deposits paid in connection with acquisition of an associate, investment in an associate, prepayment of legal and professional fees, corporate's property, plant and equipment and cash and cash equivalent.

	2016	2015
	HK$	*HK$*
Singapore	**263,287,482**	272,083,776
Indonesia	**281,972,355**	153,599,126
Total segment assets	**545,259,837**	425,682,902
Unallocated	**221,864,198**	328,295,047
Consolidated assets	**767,124,035**	753,977,949

Segment liabilities

All liabilities are allocated to reportable segments other than accruals of corporate expenses, amount due to a related company, amount due to a director, derivative financial instruments and convertible bonds.

	2016	2015
	HK$	*HK$*
Singapore	**222,471,701**	229,579,420
Indonesia	**15,707,388**	21,395,420
Total segment liabilities	**238,179,089**	250,974,840
Unallocated	**77,422,983**	58,468,064
Consolidated liabilities	**315,602,072**	309,442,904

Other segment information

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

	Singapore	**Indonesia**	**Unallocated**	**Total**
	HK$	***HK$***	***HK$***	***HK$***
For the year ended 31 December 2016				
Additions to property, plant and equipment	**12,474,375**	**3,856,657**	**–**	**16,331,032**
Depreciation of property, plant and equipment	**(11,168,210)**	**–**	**(101,225)**	**(11,269,435)**
Additions to prepaid lease payments	**–**	**5,481,732**	**–**	**5,481,732**
Amortisation of prepaid lease payments	**(1,436,369)**	**–**	**–**	**(1,436,369)**
Gain on changes in fair value of investment properties	**–**	**20,649,800**	**–**	**20,649,800**
Additions of investment properties	**–**	**11,037,554**	**–**	**11,037,554**
Interest income	**–**	**1,092**	**792,906**	**793,998**
Interest expenses	**(7,868,125)**	**–**	**(1,484,959)**	**(9,353,084)**

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

	Singapore *HK$*	Indonesia *HK$*	Unallocated *HK$*	Total *HK$*
For the year ended 31 December 2015				
Additions to property, plant and equipment	54,646,439	–	485,324	55,131,763
Depreciation of property, plant and equipment	(11,945,123)	–	(54,625)	(11,999,748)
Amortisation of prepaid lease payments	(1,437,461)	–	–	(1,437,461)
Gain on changes in fair value of investment properties	–	14,889,738	–	14,889,738
Interest income	34,390	–	48,655	83,045
Interest expenses	(6,126,615)	–	(150,504)	(6,277,119)

(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	
	2016 ***HK$***	2015 *HK$*
Singapore	**259,933,673**	264,082,513
Indonesia	**281,972,353**	153,599,126
Unallocated	**33,475,294**	2,114,220
	575,381,320	419,795,859

(c) Information about major customers

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

5. REVENUE

An analysis of the Group's revenue mainly represents 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	
	2016	2015
	HK$	*HK$*
Hotel room	**43,729,287**	30,542,602
Food and beverage	**1,297,629**	2,950,175
Rental income from hotel properties	**6,228,176**	3,805,276
Rental income from investment properties	**–**	3,385,380
Others *(note)*	**1,081,820**	1,277,706
	52,336,912	41,961,139

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

6. OTHER INCOME

Other income is analysed as follows:

	Year ended 31 December	
	2016	2015
	HK$	*HK$*
Government grants *(note)*	**779,235**	242,046
Interest income from bank deposits	**793,998**	83,045
Others	**214,318**	383,493
	1,787,551	708,584

Note: 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	
	2016	2015
	HK$	*HK$*
Interest on bank borrowings *(note)*	**7,108,931**	5,866,408
Bank overdraft interest	**743,687**	260,207
Related parties' loan interest	**285,000**	–
Finance lease interest	**15,507**	–
Convertible bonds	**1,827,092**	150,504
Less: Amount capitalised	**(627,133)**	–
	9,353,084	6,277,119

Note: This analysis shows the finance costs of bank borrowings, including term loans which contain the agreed scheduled repayment dates and a repayment on demand clause.

8. PROFIT BEFORE INCOME TAX (EXPENSE)/CREDIT

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

	Year ended 31 December	
	2016	2015
	HK$	*HK$*
Staff costs (excluding directors' remuneration)		
Wages and salaries	**11,237,535**	12,311,550
Short-term non-monetary benefits	**944,523**	1,028,580
Contributions to defined contribution plans	**1,743,598**	1,757,556
	13,925,656	15,097,686
Depreciation of property, plant and equipment (included in administrative expenses)		
– Owned	**11,181,228**	11,999,748
– Held under finance leases	**88,207**	–
	11,269,435	11,999,748
Amortisation of prepaid lease payments (included in administrative expenses)	**1,436,369**	1,437,461
Gain on changes in fair value of investment properties	**(20,649,800)**	(14,889,738)
Fair value gain on derivative financial instruments	**(25,045)**	(274,571)
Auditor's remuneration	**870,000**	562,000
Bad debt written off	**27,029**	–
Legal and professional fees	**5,827,306**	3,621,620
Singapore property taxes	**2,461,558**	2,463,428

9. INCOME TAX (EXPENSE)/CREDIT

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 (2015: Nil). Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 17% (2015: 17%).

The subsidiaries in Indonesia are subject to 25% on their assessable profit as determined in accordance with the relevant Indonesia income tax rules and regulations (2015: 10% on its gross rental income and 25% on its assessable profit).

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

	Year ended 31 December	
	2016	2015
	HK$	*HK$*
Current – Singapore Corporate Income Tax		
– Tax for the year	**(575,822)**	(211,485)
– Over provision in respect of prior years	**22,322**	–
Current – Indonesia Corporate Income Tax		
– Tax for the year	**–**	(338,538)
	(553,500)	(550,023)
Deferred tax		
– Current year	**(5,162,450)**	1,573,208
Total income tax (expense)/credit	**(5,715,950)**	1,023,185

10. EARNINGS/(LOSSES) PER SHARE

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

	2016	2015
	HK$	*HK$*
Earnings/(Losses)		
Earnings/(Losses) for the purpose of basic earnings per share	**10,675,733**	(1,979,068)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**3,490,000,000**	2,860,493,151

Diluted earnings per share are the same as basic earnings per share for the year ended 31 December 2016 as the computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in earnings per share. (2015: diluted losses per share are the same as basic losses per share as the computation of diluted losses per shares does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in losses per share).

11. DIVIDEND

The Directors do not recommend payment of final dividend for the year ended 31 December 2016 (2015: Nil).

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the year ended 31 December 2016, the Group acquired property, plant and equipment amounting to HK$16,331,032 (2015: HK$55,131,763), of which HK$5,449,383 (2015: HK$49,192,571) mainly represented the leasehold improvements for the renovation of the hotel's buildings.

As at 31 December 2016, construction in progress includes all costs related to the construction of the resorts and amenities. The accumulated costs will be transferred to the appropriate property and equipment upon completion.

The Group's buildings was valued on 31 December 2016 by AVISTA Valuation Advisory Limited ("Avista"), a qualified professional valuer not connected to the Group, who holds a recognised and relevant professional qualification and has recent experience in the location and category of property, plant and equipment being valued. The revaluation surplus of HK$1,861,599 (2015: HK$76,818,222) net of applicable deferred income taxes of HK$316,472 (2015: HK$13,059,098) was credited to hotel properties revaluation reserve in the amount of approximately HK$1,545,127 (2015: HK$63,759,124). If the buildings had not been revalued, it would have been included in the consolidated financial statements at historical cost of HK$49,053,770 (2015: HK$51,141,555) as at 31 December 2016.

The investment properties of the Group comprising lands only are located in Bintan Islands, Indonesia which are held under medium-term lease and currently at undetermined future use. The valuations of the investment properties were carried out by Avista as at 31 December 2016 and 31 December 2015.

During the year ended 31 December 2016, the Group transferred HK$11,037,554 (2015: Nil) from deposits for acquisition of lands to investment properties and transferred HK$5,481,732 (2015: Nil) from investment properties to prepaid lease payments. A gain on change in fair value of HK$20,649,800 (2015: HK$14,889,738) and applicable deferred tax thereon of HK$5,162,450 (2015: HK$1,488,974) have been recognised in consolidated statement of comprehensive income in respect of the investment properties.

13. INVESTMENT IN AN ASSOCIATE

	At 31 December	
	2016	2015
	HK$	*HK$*
Share of net assets of an associate	**28,579,386**	–
Goodwill	**4,545,634**	–
	33,125,020	–

14. PREPAYMENTS FOR CONSTRUCTION

As at 31 December 2016, the prepayments for construction is related to advances made under the construction contract related to development in Bintan Islands, Indonesia.

15. DEPOSITS FOR ACQUISITION OF LANDS

The amount represented the consideration to the independent third parties, pursuant to the sale and purchase agreements for the acquisition of lands located in Bintan Islands, Indonesia.

16. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2016	2015
	HK$	*HK$*
Trade receivables *(note a)*	**1,988,722**	2,163,526
Prepayments	**866,552**	757,336
Deposits *(note b)*	**877,283**	4,965,856
Other receivables	**314,228**	195,183
	4,046,785	8,081,901

Notes:

a. 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.

b. As at 31 December 2015, the balance included hotel renovation deposit at the amount of HK$3,999,246.

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	
	2016	2015
	HK$	*HK$*
Current to 30 days	**1,438,468**	1,086,931
31 to 60 days	**414,600**	572,880
61 to 90 days	**47,698**	213,449
Over 90 days	**87,956**	290,266
	1,988,722	2,163,526

17. TRADE AND OTHER PAYABLES

	At 31 December	
	2016	2015
	HK$	*HK$*
Trade payables *(note)*	**1,029,509**	1,265,502
Receipt in advance	**59,583**	108,586
Accruals and other payables	**5,754,033**	7,474,503
Construction payables	**12,200,587**	22,180,952
	19,043,712	31,029,543

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	
	2016	2015
	HK$	*HK$*
Current to 30 days	**834,359**	956,836
31 to 60 days	**4,931**	154,233
Over 90 days	**190,219**	154,433
	1,029,509	1,265,502

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2016 (the "Year"), the Company continued to stay focus on the operation of Link Hotel in Singapore and devise the master plan of the development of Bintan Assets (as defined in the prospectus of the Company dated 30 June 2014 (the "Prospectus")).

FINANCIAL HIGHLIGHTS

For the Year, the Group recorded a revenue of approximately HK$52.3 million (2015: HK$42 million), accounting for an increase of approximately 24.5% from the year ended 31 December 2015. The performance of the Group was greatly improved by 815% from a net profit of approximately HK$1.3 million in 2015 to approximately HK$11.9 million in 2016. Significant improvement of the Group's performance was mainly derived from the share of profit from an associate, the acquisition of which by the Group was completed in July 2016. Moreover, the gross profit of the Group was also increased due to the increase in total available room nights and room nights sold after the completion of renovation for Link Hotel in Singapore during the Year.

Profit attributable to owners of the Company was approximately HK$10.7 million (2015: loss of approximately HK$2.0 million). Basic earnings per share was approximately HK$0.31 cents (2015: losses per share of approximately HK$0.07 cents). The Board does not recommend the payment of any dividend for the Year (2015: Nil).

BUSINESS REVIEW

The Group commenced operations of its hotel business in Singapore with the opening of Link Hotel in 2007. Except for the completion of acquisition of an associate, there is no material change in business during the Year. 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 approximately HK$43.7 million (2015: approximately HK$30.5 million) accounting for 83.6% (2015: 72.8%) 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:

	2016	2015
Total available room nights	**100,284**	55,884
Occupancy rate	**69.6%**	71.3%
Average room rate *(HK$)*	**570.1**	697.4
RevPAR *(HK$)*	**436.1**	497.1

For the Year, F&B revenue was approximately HK$1.3 million (2015: approximately HK$3.0 million), representing 2.5% (2015: 7.0%) of the total revenue. F&B revenue represents the sale of food and beverages in the 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 approximately HK$6.2 million (2015: approximately HK$3.8 million) representing 11.9% (2015: 9.1%) of the total revenue.

Other income mainly comprises of interest income amounted to approximately HK$0.79 million (2015: approximately HK$83,000) and Singapore government grants of approximately HK$0.78 million (2015: approximately HK$0.24 million).

Bintan Asset

The Company has completed the acquisition of Bintan Assets in Indonesia during the year ended 31 December 2014 and classified the Bintan Assets as investment properties and rented it to a connected person since then. The tenancy agreement was expired on 31 December 2015 and had not been renewed.

For the year ended 31 December 2015, rental income from investment properties amounted to approximately HK$3.4 million accounting for 8.1% of the Group's total revenue (2016: N/A). The construction contract for the first stage of the first phase of the Bintan Development Plan was signed in September 2016 (detailed as disclosed in the Company's announcement dated 29 September 2016).

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 2016, the Group had net current assets of approximately HK$31.9 million (2015: approximately HK$193.1 million), including cash and cash equivalents of approximately HK$187.6 million (2015: approximately HK$326.0 million) and interest-bearing bank borrowing of approximately HK$73.4 million (2015: approximately HK$58.6 million).

The gearing ratio calculated based on our total debts (being interest-bearing bank borrowings and convertible bonds) divided by our total equity and multiplied by 100% as at 31 December 2016 was approximately 47.0% (2015: 48.5%).

No purchase, cancellation, conversion or redemption of the convertible bonds during the Year. As such, the outstanding principal amount of the convertible bonds remained approximately HK$25.3 million (2015: approximately HK$25.3 million) with the maturity date due on 30 November 2020.

At 31 December 2016, out of aggregate gross proceeds of the subscription of the convertible bonds of HK$253 million as disclosed in the circular of the Company dated 6 November 2015 (the "Circular"), the Group has utilised for approximately HK$2.8 million for professional and other related expenses incurred in connection with the subscription of the convertible bonds, approximately HK$100 million as the prepayments for the Bintan Assets and approximately HK$24.7 million for settling the consideration on acquisition of an associate. The remaining net proceeds of HK$125.5 million has not yet been used and is intended to be applied for the development of the Bintan Assets and potential acquisitions as disclosed in the Circular.

Significant investments

The Group did not acquire or hold any significant investment during the Year (2015: Nil).

Material acquisitions and disposals

During the Year, the Group has conducted the following material acquisitions:

a. The Group has entered into an equity transfer agreement (details as disclosed in the Company's announcement dated 1 February 2016) in relation to the acquisition of 42.3% equity interest in Zhuhai Kang Ming De Investment Limited# (珠海市康明德企業管理服務有限公司), a company located at Guangxi Zhuang Autonomous Region in the People's Republic of China ("PRC"). The transaction has been completed in July 2016.

b. The Group has also entered into an equity transfer agreement (details as disclosed in the Company's announcement dated 11 March 2016) in relation to the acquisition of the paid-up capital of the subsidiary, PT. Hang Huo Investment, and the loan owed by the subsidiary. The transaction has been completed during the Year.

c. The Group has entered into an equity transfer agreement (details as disclosed in the Company's announcement dated 22 December 2016) in relation to the acquisition of 100% equity interest in AK Enterprise Company Limited, a company located in Japan. The transaction has been completed in January 2017.

Contingent liabilities

As at 31 December 2016, the Group did not have any material contingent liabilities (2015: Nil).

Employees and remuneration policies

As at 31 December 2016, the Group engaged a total of 52 employees (2015: a total of 56). Total staff costs excluding Directors' remuneration for the Year amounting to approximately HK$13.9 million (2015: approximately HK$15.1 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. As at 31 December 2016, no options had been granted under the share option scheme.

Foreign currency exposure

Substantially all the transactions of the Company's subsidiaries in Singapore and Indonesia are carried out in Singapore dollar and Indonesia Rupiah, respectively, which are the functional currencies of the major subsidiaries. Therefore, the risks on foreign currency risk of Singapore dollar and Indonesia Rupiah are minimal. However, the translation of functional currencies of the subsidiaries in Singapore and Indonesia to presentation currency in Hong Kong dollar might be exposed to foreign currency risk.

Charges on group assets

As at 31 December 2016, certain properties of the Group located in Singapore with an aggregate net carrying amount of approximately HK$180.1 million (2015: approximately HK$185.5 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 dividend in the respect of the Year (2015: Nil).

Use of proceeds in the Placing

Upon listing of the Company's shares on GEM on 7 July 2014, the Group raised net proceeds of approximately HK$97.1 million from the Placing (as defined in the Prospectus).

Pursuant to the announcements of the Company dated 16 June 2015 and 30 June 2015 in relation to the reallocation and change in use of proceeds, the Board has resolved to reallocate and change the use of proceeds from the Placing to pay for the implementation cost of the Bintan Development Plan (as defined in the Prospectus) and for working capital and general corporate purpose of the Group.

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 2016** *HK$ (million)*	**Actual approximate amount utilised up to 31 December 2016** *HK$ (million)*
Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation	22.8	22.8	22.8
Devising a master plan for the future development of the Bintan Assets and the construction of the beachfront resort according to the preliminary first phase of the master development plan	51.3	51.3	5.8
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	6.0	6.0	2.6
	80.1	80.1	31.2

The Directors plan to use the remaining net proceeds of approximately HK$17.0 million for working capital and other general corporate purpose. As at 31 December 2016, approximately HK$10.8 million have already been utilised 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

Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation

The renovation has been completed during the Year. The total cost of the renovation amounted to HK$65.0 million.

Devising a master plan for the future development of the Bintan Assets

The development of the Bintan Land has started after entering into the construction contract during the Year.

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

Link Hotel has set up a sales and marketing team to promote its brand to potential new guests. For example, Link Hotel has sold its room on the internet by joining some famous travel agencies' online platform. Travellers could easily spot out Link Hotel by typing keywords. It helps to promote the reputation and room sale for Link Hotel.

Continuing to identify sites and/or seek acquisition opportunities to expand our hotel business in Southeast Asian countries

On 30 December 2015, PT Hang Huo International, (the "JV Company") as purchaser, and Tjiagus Thamrin, Siti Maryam Mucti, Verdy Veriady Thamrin, Ira Karmila Tharmin, Yeo Bing Hong, Pretty Ariestawati, Novita, Tri Noviardi Thamrin and Agus Setiawan as vendors entered into an acquisition agreement, pursuant to which the JV Company conditionally agreed to purchase from the vendors 10 parcels of land situated at Gunung Kijang Village, Gunung Kijang District in Bintan, Indonesia at the consideration of S$2,000,000. The Group had paid the refundable earnest money in the sum of S$2,000,000 (equivalent to approximately HK$10,987,400), funded by the internal resources of the Group, to the independent representatives nominated by the vendors in cash, pursuant to the non-legally binding memorandum of understanding entered into between Mr. Tjiagus Thamrin and the Group in January 2015 for the purpose of facilitating further negotiation for the acquisition. The acquisition is expected to be fully completed in 2017.

During the Year, the Group entered into the sale and purchase agreement at the consideration of approximately IDR9.9 billion (equivalent to approximately HK$5.8 million) for the acquisition of lands located in Bintan, Indonesia. The acquisition is expected to be completed in 2017.

Other than disclosed above, the Group continues in seeking acquisition opportunities to expand our hotel business in Southeast Asian countries.

COMPLIANCE ADVISER

As updated and notified by the Company's compliance adviser, Guotai Junan Capital Limited ("Guotai Junan"), except for the professional fees for acting as the compliance adviser and the financial adviser pursuant to the separate agreements entered into between Guotai Junan and the Company, none of Guotai Junan, or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company as at 31 December 2016 pursuant to Rule 6A.32 of the GEM Listing Rules.

OUTLOOKS

In view of the uncertain economic prospects for 2016, the Group adopts an optimistic attitude to cope with challenges and capture opportunities in a positive way, and is confident in its future growth. The completion of the renovation of Link Hotel in Singapore brings a brand new image to our valuable guests and attracts more guests around the world, which would lead to the increase in the Group's profit in the future. Meanwhile, the development of the Bintan Land has started after entering into of the construction contract during the Year. The Group will further improve the overall return of its assets and its enterprise value, with an aim to be a leader of vacation and resort industry in Asia with international competitiveness.

The Directors believe that the completion of acquisition of the 42.3% equity interest of a company located in Guangxi Zhuang Autonomous Region represents a milestone for the Group to expand to the Greater China region and would broaden the Group's income streams. The Group will take the opportunity of "One Belt, One Road" and continuously seek potential acquisition in PRC.

OTHER INFORMATION

ANNUAL GENERAL MEETING (THE "AGM")

The 2016 AGM of the Company will be held on Friday, 26 May 2017 at 12:00 noon, the AGM notice will be published and dispatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' entitlement to attend and vote at the AGM, the Company's register of members will be closed from Tuesday, 23 May 2017 to Friday 26 May 2017 (both dates inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for attending the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 May 2017.

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, risk management and internal controls systems of the Company, nominate and monitor external auditors and provide advice and comments to the Directors. 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, risk management and financial reporting matters including the review of this announcement and financial statements of the Group for the Year.

SCOPE OF WORK OF EXTERNAL AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2016. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

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.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the Securities Futures Ordinance (Charter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, is as follows:

Long positions in shares of the Company

Name	Capacity	Total number of shares held	Percentage of shareholding
Mr. Ngan Iek	Interest in controlled corporation *(Note)*	1,900,000,000	54.44%

Note:

These shares are registered in the name of Vertic Holdings Limited ("Vertic"), 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.

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.

Save as those disclosed above, as at 31 December 2016, none of the Directors 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 31 December 2016, so far as any Directors are aware, the following persons (other than the interests disclosed above in respect of certain Directors 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
Vertic	Beneficial owner	1,900,000,000 *(Note 1)*	54.44%
Ms. Cheng Wing Shan	Interest of spouse	1,900,000,000 *(Note 2)*	54.44%
CMI Financial Holding Company Limited ("CMI Hong Kong")	Beneficial owner	690,000,000 *(Note 3)*	19.77%
Minsheng (Shanghai) Assets Management Company Limited# (民生（上海）資產管理有限公司) ("Minsheng Shanghai")	Interest of controlled corporation	690,000,000 *(Note 3)*	19.77%
China Minsheng Investment Corporation Limited# (中國民生投資股份有限公司) ("China Minsheng Investment")	Interest of controlled corporation	690,000,000 *(Note 3)*	19.77%

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.

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.

3 Such Shares are held by CMI Hong Kong, which is wholly-owned by Minsheng Shanghai, which is in turned wholly-owned by China Minsheng Investment. Both Minsheng Shanghai and China Minsheng Investment are deemed to be interested in all the Shares held by CMI Hong Kong under Part XV of the SFO.

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

Name of the holder of the convertible bonds	Capacity	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company
CMI Hong Kong	Beneficial owner	HK$25,278,000	76,600,000	2.19%
Minsheng Shanghai	Interest of controlled corporation	HK$25,278,000	76,600,000	2.19%
China Minsheng Investment	Interest of controlled corporation	HK$25,278,000	76,600,000	2.19%

Note: Such underlying shares are held by CMI Hong Kong, which is wholly-owned by Minsheng Shanghai, which is in turned wholly-owned by China Minsheng Investment. Both Minsheng Shanghai and China Minsheng Investment are deemed to be interested in all the Shares held by CMI Hong Kong under Part XV of the SFO.

Save as disclosed above, as at 31 December 2016, 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.

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

Save as disclosed above, as at 31 December 2016, so far as the Directors are aware, 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 Year, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules.

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 Year.

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

Hong Kong, 31 March 2017

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

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

This announcement will remain on the "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.

In this announcement, translated English names of Chinese entities for which no official English translation exist are unofficial.