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 2018

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018, together with the comparative audited figures for the year ended 31 December 2017.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**Year ended 31 December 2018** *HK$*	2017 *HK$*
Revenue	*5*	**60,628,594**	66,017,970
Cost of sales		**(15,513,071)**	(17,420,382)
Gross profit		**45,115,523**	48,597,588
Other income	*6*	**3,551,575**	769,277
Other gains and losses		**(138,863)**	–
Selling expenses		**(2,197,330)**	(1,629,216)
Administrative expenses		**(40,880,624)**	(35,096,206)
Finance costs	*7*	**(8,221,511)**	(6,467,893)
Gain on changes in fair value of investment properties		**5,393,060**	2,137,386
Share of results of an associate		**(510,484)**	11,193,631
Profit before income tax expense	*8*	**2,111,346**	19,504,567
Income tax expense	*9*	**(5,164,118)**	(8,346,065)
(Loss)/profit for the year		**(3,052,772)**	11,158,502
Other comprehensive income/(expense) that will not be reclassified to profit or loss:			
Gain on revaluation of properties		**395,239**	4,625
Tax expense related to gain on revaluation of properties		**(67,191)**	(786)
Share of other comprehensive income of an associate		**977,670**	767,921
Other comprehensive (expense)/income that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**(20,783,385)**	12,718,921
Loss on cash flow hedges		**(3,968,118)**	–
Other comprehensive (expense)/income for the year, net of tax		**(23,445,785)**	13,490,681
Total comprehensive (expense)/income for the year		**(26,498,557)**	24,649,183
(Loss)/profit attributable to:			
Owners of the Company		**(3,253,782)**	11,047,089
Non-controlling interests		**201,010**	111,413
		(3,052,772)	11,158,502
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(26,363,031)**	24,525,718
Non-controlling interests		**(135,526)**	123,465
		(26,498,557)	24,649,183
(Losses)/earnings per share	*10*		
– Basic (HK cents per share)		**(0.093)**	0.317
– Diluted (HK cents per share)		**(0.093)**	0.310

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	At 31 December 2018 HK$	2017 HK$
Non-current assets			
Property, plant and equipment	*12*	**442,567,556**	270,592,920
Investment properties	*12*	**172,166,917**	171,116,397
Prepaid lease payments		**76,395,966**	79,587,028
Interest in an associate	*13*	**46,066,984**	48,102,571
Prepayments for construction	*14*	**3,108,892**	75,157,291
Deposits for acquisition of lands	*15*	**1,418,751**	5,839,482
Distressed debt assets classified as receivables	*16*	**41,654,350**	75,762,165
Total non-current assets		**783,379,416**	726,157,854
Current assets			
Hotel inventories		**167,975**	140,863
Distressed debt assets classified as receivables	*16*	**70,223,599**	52,495,298
Trade and other receivables	*17*	**8,049,478**	5,489,845
Amount due from an associate	*13*	**702,733**	22,458,524
Cash and cash equivalents		**165,255,807**	60,018,281
Total current assets		**244,399,592**	140,602,811
Current liabilities			
Trade and other payables	*18*	**76,434,943**	23,399,473
Obligations under finance lease		**171,159**	201,514
Amount due to a non-controlling shareholder of subsidiaries		**8,448,206**	8,485,210
Amount due to a director		**123,756,917**	119,154,366
Interest-bearing bank borrowings		**188,081,306**	83,983,124
Provision for taxation		**5,427,754**	5,720,586
Derivative financial instruments		**1,466,587**	–
Total current liabilities		**403,786,872**	240,944,273
Net current liabilities		**(159,387,280)**	(100,341,462)
Total assets less current liabilities		**623,992,136**	625,816,392

		At 31 December	
		2018	2017
	Notes	***HK$***	*HK$*
Non-current liabilities			
Other payables	*18*	**8,132,163**	–
Obligations under finance lease		**308,219**	86,913
Interest-bearing bank borrowings		**120,797,387**	110,653,438
Deferred tax liabilities		**22,736,190**	21,358,875
Derivative financial instruments		**2,455,330**	–
Convertible bonds		**19,890,219**	17,546,020
Total non-current liabilities		**174,319,508**	149,645,246
Net assets		**449,672,628**	476,171,146
Equity			
Share capital		**3,490,000**	3,490,000
Reserves		**440,671,365**	467,034,396
		444,161,365	470,524,396
Non-controlling interests		**5,511,263**	5,646,750
Total equity		**449,672,628**	476,171,146

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	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)*	Hedging reserve HK$ *(Note f)*	Retained earnings HK$	Total HK$	Non-controlling interests HK$	Total equity HK$
At 1 January 2017	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
Profit for the year	–	–	–	–	–	–	–	11,047,089	11,047,089	111,413	11,158,502
Other comprehensive income/(expense)											
– Gain on revaluation of properties	–	–	4,625	–	–	–	–	–	4,625	–	4,625
– Tax expense related to gain on revaluation of properties	–	–	(786)	–	–	–	–	–	(786)	–	(786)
– Share of other comprehensive income of an associate	–	–	767,921	–	–	–	–	–	767,921	–	767,921
– Exchange differences arising on translation of foreign operations	–	–	–	–	12,706,869	–	–	–	12,706,869	12,052	12,718,921
Total comprehensive income for the year	–	–	771,760	–	12,706,869	–	–	11,047,089	24,525,718	123,465	24,649,183
At 31 December 2017 and 1 January 2018	**3,490,000**	**333,122,249**	**66,671,156**	**2,014,251**	**(17,343,534)**	**10,698,249**	**–**	**71,872,025**	**470,524,396**	**5,646,750**	**476,171,146**
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,253,782)**	**(3,253,782)**	**201,010**	**(3,052,772)**
Other comprehensive income/(expense)											
– Gain on revaluation of properties	**–**	**–**	**395,239**	**–**	**–**	**–**	**–**	**–**	**395,239**	**–**	**395,239**
– Tax expense related to gain on revaluation of properties	**–**	**–**	**(67,191)**	**–**	**–**	**–**	**–**	**–**	**(67,191)**	**–**	**(67,191)**
– Share of other comprehensive income of an associate	**–**	**–**	**977,670**	**–**	**–**	**–**	**–**	**–**	**977,670**	**–**	**977,670**
– Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(20,446,849)**	**–**	**–**	**–**	**(20,446,849)**	**(336,536)**	**(20,783,385)**
– Loss on cash flow hedges	**–**	**–**	**–**	**–**	**–**	**–**	**(3,968,118)**	**–**	**(3,968,118)**	**–**	**(3,968,118)**
Total comprehensive income/(expense) for the year	**–**	**–**	**1,305,718**	**–**	**(20,446,849)**	**–**	**(3,968,118)**	**(3,253,782)**	**(26,363,031)**	**(135,526)**	**(26,498,557)**
– Shares issued to a non-controlling shareholder in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**39**	**39**
At 31 December 2018	**3,490,000**	**333,122,249**	**67,976,874**	**2,014,251**	**(37,790,383)**	**10,698,249**	**(3,968,118)**	**68,618,243**	**444,161,365**	**5,511,263**	**449,672,628**

Notes:

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

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

c. The other reserve of the Group represents the difference between the nominal value of the shares issued by the Company and the aggregate nominal value of the issued share capital of subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in the subsidiary acquired.

d. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

e. The convertible bonds reserve represents the amount of proceeds on issue of convertible bonds, net of issue expenses, relating to the equity component (i.e. option to convert the debt into share capital).

f. The hedging reserve included the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedge. Amounts are subsequently reclassified to profit or loss as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Link Holdings Limited (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 of Hong Kong Limited (the "Stock Exchange").

The immediate and ultimate holding company is Vertic Holdings Limited, a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding. Details of the principal activities of the Company's subsidiaries are set out in note 40 to the consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 29 March 2019.

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

(a) Adoption of new/revised IFRSs – effective 1 January 2018

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

Annual Improvements to IFRSs 2014-2016 Cycle	Amendments to IFRS 1, First-time adoption of International Financial Reporting Standards
Annual Improvements to IFRSs 2014-2016 Cycle	Amendments to IAS 28, Investments in Associates and Joint Ventures
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 15	Revenue from Contracts with Customers (Clarifications to IFRS 15)
Amendments to IFRS 40	Transfers of Investment Property
IFRIC – Int 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IFRS 1, First-time adoption of International Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

The adoption of these amendments has no impact on these financial statements as the periods to which the transition provision exemptions related have passed.

Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

The adoption of these amendments has no impact on these financial statements as the Group is not a venture capital organisation.

Amendments to IFRS 2 – Classification and Measurement of Share-Based Payment Transactions
The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of these amendments has no impact on these financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

A. IFRS 9 – Financial Instruments

(i) Classification and measurement of financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of IFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the condensed consolidated interim 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. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of IFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under IFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with IFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("amortised costs"); (ii) financial assets at fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL (as defined in above). The classification of financial assets under IFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "SPPI criterion"). Under IFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions are met and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The transition to IFRS 9 did not have any material impact on the opening balance of retained earnings as of 1 January 2018.

The following accounting policies would be applied to the Group's financial assets as follows:

Amortised cost	Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

The following table summarises the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**	**Carrying amount as at 31 December 2017 under IAS 39** *HK$*	**Carrying amount as at 1 January 2018 under IFRS 9** *HK$*
Distressed debt assets classified as receivables	Loans and receivables	Amortised cost	128,257,463	128,257,463
Trade and other receivables	Loans and receivables	Amortised cost	5,489,845	5,489,845
Amount due from an associate	Loans and receivables	Amortised cost	22,458,524	22,458,524
Cash and cash equivalents	Loans and receivables	Amortised cost	60,018,281	60,018,281

(ii) Impairment of financial assets

The adoption of IFRS 9 has changed the Group's impairment model by replacing the IAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". IFRS 9 requires the Group to recognised ECL for trade receivables, financial assets at amortised costs and contract assets earlier than IAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

Under IFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 3 months past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 3 months past due.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investment at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the assets.

Impact of the ECL model – Impairment of trade receivables and contract assets

As mentioned above, the Group applies the IFRS 9 simplified approach to measure ECLs which adopts a life time ECLs for all trade receivables and contract asset. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk as the trade receivables. The loss allowance as at 1 January 2018 was determined as follows for trade receivables and contract assets as follows:

	Expected credit loss rate (%)	**Gross carrying amount** *(HK$)*	**Loss allowance** *(HK$)*
Current	–	968,277	–
With 1 months past due	3%	419,901	12,597
1 to 3 months past due	3%	66,595	1,998
3 to 12 months past due	7%	34,717	2,430
Total		1,489,490	17,025

Impact of the ECL model – Impairment of other receivables and amount due from an associate

The Group applies general approach to measure ECL on other receivables. The increase in ECL for other receivables upon the transaction to IFRS 9 as at 1 January 2018 was immaterial. Amount due from an associate are considered to be low credit risk when it has a low risk of default and the associate has a strong capacity to meet its contractual cash flow obligations in the near term.

Impact of the ECL model – Impairment of distressed debt asset classified as receivables

The Group shall only recognise the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for purchased credit-impaired financial assets. Favourable changes in lifetime ECLs are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss as impairment loss. The changes in economic and political environment has direct impact to the value and the liquidity of collateral. When assessing the lifetime ECLs, the changes in economic and political has been taken into account as a forward-looking factor. The Director concluded that the probability weighted result is immaterial to the Group.

Impact of the ECL model – cash and cash equivalent

Cash and cash equivalents are considered to have low credit risk. The loss allowances recognised were limited to 12 months ECLs and considered immaterial to the Group.

The Directors considered that the impairment under ECLs model for both trade receivables and contract assets as at 1 January 2018 is immaterial and no adjustment was made to the retained earnings as at 1 January 2018 (see note (iv) below for transitional provision).

(iii) *Hedge accounting*

Hedge accounting under IFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships at 1 January 2018.

(iv) Transition

The Group has applied the transitional provision in IFRS 9 such that IFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the statement of financial position on 1 January 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018 if have. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

B. IFRS 15 – Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted IFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 January 2018). As a result, the financial information presented for 2017 has not been restated.

	IAS 18 carrying amount 31 Dec 2017	**Reclassification**	**IFRS 15 carrying amount 1 Jan 2018**
	HK$	***HK$***	***HK$***
Trade receivables	1,489,490	(61,369)	1,428,121
Contract assets	–	61,369	61,369
Receipt in advance	6,223,815	(218,862)	6,004,953
Contract liabilities	–	218,862	218,862

Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

(i) Hotel room services

The Group has determined that for contracts with hotel guests for the hotel room services, there may be one or two performance obligations, which include the provision of hotel room services and provision of free breakfast. For the hotel room services, the group has determined that the customers simultaneously receive and consume the benefits of the Group's performance and thus the group concludes that the service should be recognised overtime.

For the performance obligation related to the free breakfast, the Group determines that the customers obtain control of the breakfast when it was delivered to the customers. Revenue is thus recognised when the customers finished their breakfast. Invoices are issued when the hotel guests checked out and the payment was required to settle at the same time.

Uninvoiced amounts and the amounts receipt in advance regarding the hotel room services are presented as contract assets and contract liabilities respectively.

IFRS 15 did not result in significant impact on the Group's accounting policies. However, upon the adoption of IFRS 15, the Group has to make reclassification from trade receivables and receipt in advance to contract assets and contract liabilities respectively.

Contract assets recognised in relation to hotel room contracts were previously presented as part of trade and other receivables (HK$61,369 as at 1 January 2018).

Contract liabilities in relation to the Group's obligation to provide services to hotel guests for which the Group has received consideration from the hotel guests. The amount was previously presented as receipt in advance (HK$218,862 as at 1 January 2018).

(ii) *Sales of food and beverage*

The Group operates a restaurant selling food and beverages. Revenue from the sales of food and beverages is recognised at a point in time when a group entity sells a product to the customer. There is generally only one performance obligation. Invoices are usually payable when the customers finished their meal and the payment of the transaction price is due immediately.

IFRS 15 did not result in significant impact on the Group's account policies.

Amendments IFRS 15 – Revenue from Contracts with Customers (Clarifications to IFRS 15)

The amendments to IFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted IFRS 15 and took up the clarifications in this, its first year.

Amendments to IAS 40, Investment Property – Transfers of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred.

The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

The adoption of these amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously assessed transfers.

IFRIC-Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of these amendments has no impact on these financial statements as the Group has not paid or received advance consideration in a foreign currency.

(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. The Group's current intention is to apply these changes on the date they become effective.

IFRS 16	Leases[1]
IFRIC-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3, Business Combinations[1]
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 11, Joint Arrangements[1]
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 12, Income Taxes[1]
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 23, Borrowing Costs[1]
IFRS 17	Insurance Contracts[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2021

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

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.

The Group plans to elect to use the modified retrospective approach for the adoption of IFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. At 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to HK$449,820 for properties, the majority of which is payable either between 1 and 2 years after the reporting date. Upon the initial adoption of IFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted.

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

Amendments to IAS 28

The amendment clarifies that IFRS 9 applies to long-term interests ("LTI") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that IFRS 9 is applied to these LTI before the impairment losses guidance within IAS 28.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

IFRS 17 – Insurance Contracts

IFRS 17 will replace IFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

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.

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") and the disclosure requirements of the Hong Kong Companies Ordinance. 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 of Hong Kong Limited.

(b) Basis of measurement

The measurement basis used in preparation of the consolidated financial statement is the historical cost basis except for investment properties, hotel buildings and financial instruments, which are measured at fair values as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 5.

(c) Going concern assumption

At the end of reporting period, its current liabilities exceeded its current assets by HK$159,387,280. 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 2018, on the basis that (a) the Group has confidence that the application for the extension of the existing revolving loans of approximately HK$178 million will be approved and extended for more than twelve months; (b) the Director will not request the Group to repay the outstanding amount approximately HK$124 million until the Group is in a position to repay; (c) the Group's operations can generate sufficient cash flows for twelve months from 31 December 2018; and (d) the Group has available facilities up to approximately HK$73 million as at 31 December 2018.

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 2018 on a going concern basis notwithstanding the net current liabilities position of the Group.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

4. OPERATING SEGMENT INFORMATION

Management 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-maker considers the business primarily on the basis of the geographical locations. The Group is currently organised into four reportable segments. The following summary describes the operations in each of the Group's reportable and operating segments:

– Operation of hotel business in Singapore, Indonesia and Japan

– Distressed debt asset management in PRC

(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

	Operation of hotel business			Distressed debt asset management	
	Singapore *HK$*	**Indonesia** *HK$*	**Japan** *HK$*	**The PRC** *HK$*	**Total** *HK$*
For the year ended 31 December 2018					
External Revenue	**50,675,055**	**–**	**–**	**9,953,539**	**60,628,594**
Segment profit	**3,135,689**	**3,925,982**	**1,720,736**	**3,553,202**	**12,335,609**
Corporate income – Others					**26,701**
Central administrative cost					**(9,740,480)**
Share of results of an associate					**(510,484)**
Profit before income tax expense					**2,111,346**

	Operation of hotel business			Distressed debt asset management	
	Singapore *HK$*	Indonesia *HK$*	Japan *HK$*	The PRC *HK$*	Total *HK$*
For the year ended 31 December 2017					
External Revenue	48,847,168	–	–	17,170,802	66,017,970
Segment profit/(loss)	2,271,235	1,814,181	(2,840,502)	15,958,959	17,203,873
Corporate income					
– Others					685
Central administrative cost					(8,823,622)
Corporate finance cost					(70,000)
Share of results of an associate					11,193,631
Profit before income tax expense					19,504,567

Segment results represents the profit/(loss) earned/(charged) by each segment without allocation of corporate income, which includes other income, corporate finance cost, 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 interest in an associate, a deposit for acquisition of lands in Malaysia, corporate's deposits and prepayments, corporate's property, plant and equipment and cash and cash equivalents.

	2018 *HK$*	2017 *HK$*
Operation of hotel business		
Singapore	**257,785,670**	273,772,128
Indonesia	**360,934,236**	291,616,753
Japan	**81,308,830**	40,207,191
Distressed debt asset management		
The PRC	**112,812,345**	150,756,580
Total segment assets	**812,841,081**	756,352,652
Unallocated	**214,937,927**	110,408,013
Consolidated assets	**1,027,779,008**	866,760,665

Segment liabilities

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

	2018 *HK$*	2017 *HK$*
Operation of hotel business		
Singapore	**339,698,272**	224,187,195
Indonesia	**81,629,143**	16,273,567
Japan	**10,255,272**	2,032,635
Distressed debt asset management		
The PRC	**1,059,599**	8,047,411
Total segment liabilities	**432,642,286**	250,540,808
Unallocated	**145,464,094**	140,048,711
Consolidated liabilities	**578,106,380**	390,589,519

Other segment information

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

	Operation of hotel business			Distressed debt asset management		
	Singapore *HK$*	**Indonesia** *HK$*	**Japan** *HK$*	**The PRC** *HK$*	**Unallocated** *HK$*	**Total** *HK$*
For the year ended 31 December 2018						
Additions to property, plant and equipment	**1,354,967**	**143,582,814**	**40,580,741**	**31,675**	**4,999,311**	**190,549,508**
Write off of property, plant and equipment	**(295,778)**	**–**	**–**	**–**	**–**	**(295,778)**
Gain on disposal of property, plant and equipment	**156,915**	**–**	**–**	**–**	**–**	**156,915**
Depreciation of property, plant and equipment	**(10,699,786)**	**–**	**–**	**(8,457)**	**(101,839)**	**(10,810,082)**
Amortisation of prepaid lease payments	**(1,480,609)**	**(109,165)**	**–**	**–**	**–**	**(1,589,774)**
Gain on changes in fair value of investment properties	**–**	**5,393,060**	**–**	**–**	**–**	**5,393,060**
Interest income	**–**	**204,806**	**10**	**–**	**6,841**	**211,657**
Interest expenses	**(8,020,477)**	**–**	**–**	**(201,034)**	**–**	**(8,221,511)**

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

	Operation of hotel business			Distressed debt asset management		
	Singapore *HK$*	Indonesia *HK$*	Japan *HK$*	The PRC *HK$*	Unallocated *HK$*	Total *HK$*
For the year ended 31 December 2017						
Additions to property, plant and equipment	377,255	30,658,724	39,289,875	18,446	–	70,344,300
Depreciation of property, plant and equipment	(11,025,058)	–	–	(1,384)	(101,225)	(11,127,667)
Amortisation of prepaid lease payments	(1,439,424)	(115,456)	–	–	–	(1,554,880)
Gain on changes in fair value of investment properties	–	2,137,386	–	–	–	2,137,386
Interest income	6,370	33,052	12	–	2	39,436
Interest expenses	(6,397,893)	–	–	–	(70,000)	(6,467,893)

(b) Geographical information

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

	Non-current assets As at 31 December	
	2018 ***HK$***	2017 *HK$*
Operation of hotel business		
Singapore	**252,849,969**	271,140,218
Indonesia	**360,934,236**	291,616,753
Japan	**80,257,367**	39,269,324
Distressed debt asset management		
The PRC	**41,693,530**	75,779,939
Unallocated	**47,644,314**	48,351,620
	783,379,416	726,157,854

(c) Disaggregation of revenue

	Hotel business		Distressed debt asset management		Total	
	2018	2017	**2018**	2017	**2018**	2017
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Primary geographical markets						
Singapore	**50,675,055**	48,847,168	**–**	–	**50,675,055**	48,847,168
PRC	**–**	–	**9,953,539**	17,170,802	**9,953,539**	17,170,802
Total	**50,675,055**	48,847,168	**9,953,539**	17,170,802	**60,628,594**	66,017,970
Major services and timing of revenue recognition						
At a point of time						
Sales of food and beverage	**3,337,927**	1,387,712	**–**	–	**3,337,927**	1,387,712
Others	**56,497**	67,134	**–**	–	**56,497**	67,134
Transferred over time						
Hotel room services	**39,820,959**	40,711,072	**–**	–	**39,820,959**	40,711,072
Others	**1,377,369**	1,035,334	**–**	–	**1,377,369**	1,035,334
Rental income from hotel properties *(note)*	**6,082,303**	5,645,916	**–**	–	**6,082,303**	5,645,916
Income from distressed debt assets classified as receivables *(note)*	**–**	–	**9,953,539**	17,170,802	**9,953,539**	17,170,802
	50,675,055	48,847,168	**9,953,539**	17,170,802	**60,628,594**	66,017,970

Note: Rental income from hotel properties and income from distressed debt assets classified as receivables are not within the scope of IFRS 15. Accordingly, income from these businesses is shown separately from the disaggregation of revenue from contracts with customers recognised at a point in time or transferred over time.

(d) 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 distressed debt assets. An analysis of revenue is as follows:

	Year ended 31 December	
	2018	2017
	HK$	*HK$*
Income from distressed debt assets classified as receivables	**33,336,005**	17,170,802
Less: modification loss *(note a)*	**(23,382,466)**	–
	9,953,539	17,170,802
Hotel room	**39,820,959**	40,711,072
Food and beverage	**3,337,927**	1,387,712
Rental income from hotel properties	**6,082,303**	5,645,916
Others *(note b)*	**1,433,866**	1,102,468
	60,628,594	66,017,970

Notes:

a. The amount arising from adjusting the gross amount of distressed debt assets to reflect the renegotiated or modified estimated cash flow.

b. The amount mainly represents laundry and car park services from hotel operations.

6. OTHER INCOME

Other income is analysed as follows:

	Year ended 31 December	
	2018	2017
	HK$	*HK$*
Insurance compensation income	**2,707,876**	159,087
Government grants *(note)*	**180,521**	155,477
Interest income from bank deposits	**211,657**	39,436
Others	**451,521**	415,277
	3,551,575	769,277

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	
	2018	2017
	HK$	*HK$*
Interest on bank borrowings *(note a)*	**10,808,958**	5,719,330
Bank overdraft interest	**22,937**	965,616
Interest on loan from related parties	**–**	70,000
Finance lease interest	**30,840**	19,329
Convertible bonds	**2,346,717**	2,070,186
Total interest expense on financial liabilities not at fair value through profit or loss	**13,209,452**	8,844,461
Less: amount capitalised *(note b)*	**(4,987,941)**	(2,376,568)
	8,221,511	6,467,893

Notes:

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

b. Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.41%(2017: 3.49%) to expenditure on qualifying assets.

8. PROFIT BEFORE INCOME TAX EXPENSE

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

	Year ended 31 December	
	2018	2017
	HK$	*HK$*
Staff costs (excluding directors' remuneration		
Wages and salaries	**17,724,128**	12,032,016
Short-term non-monetary benefits	**1,292,281**	1,133,596
Contributions to defined contribution plans	**1,960,455**	1,829,635
	20,976,864	14,995,247
Depreciation of property, plant and equipment (included in administrative expenses)		
– Owned	**10,513,797**	10,932,313
– Held under finance leases	**296,285**	195,354
	10,810,082	11,127,667
Amortisation of prepaid lease payments (included in administrative expenses)	**1,589,774**	1,554,880
Auditor's remuneration	**1,080,000**	980,000
Bad debt written off	**203,231**	11,638
Legal and professional fees	**5,027,048**	5,226,897
Singapore property taxes	**2,049,774**	2,360,963

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 (2017: Nil).

Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 17% (2017: 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 (2017: 25%).

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

Subsidiary operating in Japan is subject to national corporate income tax, inhabitant tax, and enterprise tax (hereinafter collectively referred to as "Japan Profits Tax") in Japan, which, in aggregate, resulted in effective statutory income tax rates of approximately 23% for the year based on the existing legislation, interpretations and practices in respect thereof (2017: 23%). No provision for Japan Profits Tax has been provided as the Group has no estimate assessable profit arising in Japan for the year ended 31 December 2018.

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	
	2018	2017
	HK$	*HK$*
Current – Singapore Corporate Income Tax		
– Tax for the year	**(2,765,254)**	(2,314,983)
– Under provision in respect of prior years	**(355,988)**	(619,382)
Current – The PRC Enterprise Income Tax		
– Tax for the year	**–**	(1,810,989)
	(3,121,242)	(4,745,354)
Deferred tax		
– Current year	**(2,042,876)**	(3,600,711)
Total income tax expense	**(5,164,118)**	(8,346,065)

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:

	2018	2017
	HK$	*HK$*
(Losses)/earnings		
(Losses)/earnings for the purposes of basic (losses)/earnings per share	**(3,253,782)**	11,047,089
Interest expenses on convertible bonds	**–**	–
Earnings for the purposes of diluted earnings per share	**(3,253,782)**	11,047,089
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**3,490,000,000**	3,490,000,000
Effect of dilutive potential ordinary shares on convertible bonds	**N/A**	76,600,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**3,490,000,000**	3,566,600,000

Ordinary shares are derived from 3,490,000,000 ordinary shares, being the number of shares in issue during the year ended 31 December 2018 (2017: 3,490,000,000 ordinary shares).

For the year ended 31 December 2018, diluted losses are the same as basic losses per share as the impact of the potential dilutive ordinary shares outstanding has an anti-dilutive effect on the basic losses per share (2017: diluted earnings per share assumed the conversion of the Company's outstanding convertible bonds since its conversion would result in a decrease in earnings per share).

11. DIVIDEND

The Directors do not recommend payment of final dividend for the year ended 31 December 2018 (2017: Nil).

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

During the year ended 31 December 2018, the Group acquired property, plant and equipment amounting to HK$190,549,508 (2017: HK$70,344,300).

As at 31 December 2018, 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, plant and equipment upon completion.

The Group's hotel buildings was valued on 31 December 2018 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$395,239 (2017: HK$4,625) net of applicable deferred income taxes of HK$67,191 (2017: HK$786) was credited to hotel properties revaluation reserve in the amount of approximately HK$328,048 (2017: HK$3,839). If the buildings had not been revalued, it would have been included in the consolidated financial statements at historical cost of HK$50,516,211 (2017: HK$52,474,488) as at 31 December 2018.

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 2018 and 31 December 2017.

During the year ended 31 December 2018, the Group transferred HK$6,222,421 from deposits for acquisition of lands to investment properties. No such transfer was made during the year ended 31 December 2017. A gain on change in fair value of HK$5,393,060 (2017: HK$2,137,386) and applicable deferred tax thereon of HK$1,348,265 (2017: HK$534,347) have been recognised in consolidated statement of comprehensive income in respect of the investment properties.

13. INTEREST IN AN ASSOCIATE

	At 31 December	
	2018	2017
	HK$	*HK$*
Share of net assets of an associate	**41,430,587**	43,214,726
Goodwill	**4,636,397**	4,887,845
	46,066,984	48,102,571
Amount due from an associate *(note)*	**702,733**	22,458,524

Note: Amount due from an associate is unsecured, interest-free and repayable on demand.

14. PREPAYMENTS FOR CONSTRUCTION

As at 31 December 2018 and 31 December 2017, 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

As at 31 December 2018, the amount represented the refundable earnest money to an independent third entity, pursuant to the sale and purchase agreements for the acquisition of lands located in Malaysia.

As at 31 December 2017, the amount represented the consideration to the independent third parties, pursuant to the sale and purchase agreements for the acquisition of lands in Bintan Islands, Indonesia. The acquisition was subsequently completed and legal title of the lands were obtained in May 2018. The Group transferred the deposits for acquisition of lands to investment properties in May 2018.

16. DISTRESSED DEBT ASSETS CLASSIFIED AS RECEIVABLES

On 25 April 2017, a wholly-owned subsidiary of the Company, entered into a debt assignment agreement with Kang Ming De, an associate of the Group, pursuant to which Kang Ming De agreed to assign, and the wholly-owned subsidiary agreed to accept, the distressed debt assets and the enforcement right of the collaterals in connection with the non-performing debts, at the cash consideration of RMB108.9 million (equivalent to HK$125,555,116). The transaction was completed on 29 September 2017.

	At 31 December	
	2018	2017
	HK$	*HK$*
Current	**70,223,599**	52,495,298
Non-current	**41,654,350**	75,762,165
	111,877,949	128,257,463

For distressed debt assets classified as receivables, it represented the receivables from the obligors of non-performing loans. The borrowers are obliged to settle the amount according to the terms set out in relevant loan. These receivables classified as receivables are measured at amortised cost using the effective interest method in accordance with IFRS 9 “Financial Instruments”. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the distressed debt assets.

17. TRADE AND OTHER RECEIVABLES

	At 31 December 2018 HK$	2017 HK$
Trade receivables *(note)*	**2,589,275**	1,489,490
Contract assets	**405,649**	–
Prepayments	**3,913,103**	2,850,539
Deposits	**971,522**	950,893
Other receivables	**169,929**	198,923
	8,049,478	5,489,845

Note: Trade receivables

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 2018 HK$	2017 HK$
Current to 30 days	**2,210,652**	968,277
31 to 60 days	**295,139**	419,901
61 to 90 days	**25,498**	22,179
Over 90 days	**57,986**	79,133
	2,589,275	1,489,490

18. TRADE AND OTHER PAYABLES

	At 31 December 2018 HK$	2017 HK$
Current liabilities		
Trade payables *(note)*	**800,292**	1,393,580
Contract liabilities	**1,501,490**	–
Receipt in advance	**–**	6,223,815
Accruals and other payables	**7,104,117**	8,382,900
Construction payables	**67,029,044**	7,399,178
	76,434,943	23,399,473
Non-Current liabilities		
Construction payables	**8,132,163**	–

(a) Trade payables

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	
	2018	2017
	HK$	*HK$*
Current to 30 days	**517,326**	1,088,749
31 to 60 days	**28,577**	38,170
Over 90 days	**254,389**	266,661
	800,292	1,393,580

For 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.

FINANCIAL HIGHLIGHTS

For the Year, the Group recorded a loss of approximately HK$3.1 million, representing a decrease of approximately HK$14 million or 127% from the year ended 31 December 2017. It is mainly attributable to the decrease in share of profits of an associate for the Year, as the associate had made an impairment loss on a long outstanding receivables. However, to the best of the Directors' knowledge and concluding from further communications with the associate, the Directors considered that it is an one-off event and the results of the associate will be recovered in 2019.

Loss attributable to owners of the Company was approximately HK$3.3 million (2017: profit attributable to owners of the Company was approximately HK$11 million). Basic loss per share was approximately HK$0.093 cents (2017: basic earnings per share was approximately HK$0.32 cents). The Board does not recommend the payment of any dividend for the Year (2017: Nil).

BUSINESS REVIEW

The Group commenced operations of its hotel business in Singapore with the opening of Link Hotel in 2007 and commenced the distressed debt assets management business in 2017. 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$39.8 million (2017: approximately HK$40.7 million) accounting for approximately 65.7% (2017: approximately 61.7%) 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:

	Year ended 31 December	
	2018	2017
Total available room nights	**100,010**	100,010
Occupancy rate	**62.61%**	63.9%
Average room rate *(HK$)*	**577.7**	587.6
RevPAR *(HK$)*	**361.5**	370.6

For the Year, food and beverages ("F&B") revenue was approximately HK$3.3 million (2017: approximately HK$1.4 million), representing approximately 5.5% (2017: approximately 2.1%) of the total revenue. F&B revenue represents the sale of F&B 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$6.1 million (2017: approximately HK$5.6 million) representing approximately 10% (2017: approximately 8.5%) of the total revenue.

For the Year, other income mainly comprised of compensation income to approximately HK$2.7 million (2017: sundry income from hotel guests amounted to approximately HK$0.57 million).

Bintan Assets

The construction contract for the first stage of the first phase of the Bintan Development Plan (as defined in the Prospectus) was signed in September 2016 (detailed as disclosed in the Company's announcement dated 29 September 2016). During 2017, the construction plan has been amended for more fitting to the latest theme of the resort. With the finalising of the improvement changes during the Year, the construction is expected to complete in second half of 2019.

Distressed debt assets management business

On 25 April 2017, 廣西恒和智達資產管理有限公司 (Guangxi Heng He Zhi Da Asset Management Limited#, "the Assignee"), a wholly-owned subsidiary of the Company, entered into a debt assignment agreement with 珠海市康明德企業管理服務有限公司 (Zhuhai Shi Kang Ming De Corporate Management Services Limited#, the "Assignor"), an associate of the Group, pursuant to which the Assignor conditionally agreed to assign, and the Assignee conditionally agreed to accept, the distressed debt assets and the enforcement right of the collaterals in connection with the non-performing debts, at the cash consideration of RMB108.9 million (equivalent to approximately HK$125.6 million). The assignment was completed on 29 September 2017.

During the Year, the income from distressed debts assets management business was approximately HK$10 million (2017: HK$17.2 million).

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 2018, the Group had net current liabilities of approximately HK$159 million (2017: net current liabilities of approximately HK$100.3 million), including cash and cash equivalents of approximately HK$165 million (2017: approximately HK$60 million) and interest-bearing bank borrowing of approximately HK$188 million (2017: approximately HK$84 million). The Directors have been closely monitoring its working capital and considered appropriate funding such as internal operating fund, unutilised banking facilities and seeking new external funding. Please refer to note 3(c) to the consolidated financial statements for details. The Directors will manage the capital of the Group and are confident that the Group will have sufficient financial resources to finance its working capital requirements.

The gearing ratio calculated based on the Group's total debts (being interest-bearing bank borrowings and convertible bonds) divided by the Group's total equity and multiplied by 100% as at 31 December 2018 was approximately 73.1% (2017: approximately 44.6%).

There is 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 (2017: approximately HK$25.3 million) with the maturity date due on 30 November 2020.

Significant investments

The Group did not acquire or hold any significant investment during the Year (2017: Nil).

Material acquisitions and disposals

During the Year, the Group did not have any material acquisitions and disposals.

Contingent liabilities

As at 31 December 2018, the Group did not have any material contingent liabilities (2017: Nil).

Employees and remuneration policies

As at 31 December 2018, the Group engaged a total of 57 employees (2017: a total of 50). Total staff costs excluding Directors' remuneration for the Year amounting to approximately HK$21 million (2017: approximately HK$15 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 2018, no options had been granted under the share option scheme.

Foreign currency exposure

Substantially all the transactions of the Group's subsidiaries in Singapore, Indonesia, Japan and the People's Republic of China ("PRC") are carried out in Singapore dollar, Indonesia Rupiah, Japanese Yen and Renminbi ("RMB") respectively, which are the functional currencies of the subsidiaries. Therefore, foreign currency risk for the respective currencies above are minimal. However, the translation of functional currencies for respective subsidiaries above to presentation currency in Hong Kong dollar might be exposed to foreign currency risk. For the analysis of the Group's foreign currency risk, please refer to note 43(d) of the Notes to the Consolidated Financial Statement.

Charges on group assets

As at 31 December 2018, certain properties of the Group located in Singapore with an aggregate net carrying amount of approximately HK$175.8 million (2017: approximately HK$187.5 million) were used to secure the banking facilities.

Segment information

During the Year, the Group had four reportable segments on the basis of the geographical locations at Singapore, Indonesia, Japan and the PRC.

Dividends

The Directors do not recommend payment of any divided in the respect of the Year (2017: Nil).

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 in 2016 and the total cost of the renovation amounted to approximately 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 of the construction contract in 2016.

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 the Group's 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 29 May 2018, Golden Gate Investments Limited ("Golden Gate"), a subsidiary of the Group, terminated the conditional sale and purchase agreement dated 27 December 2017 in relation to the acquisition of the land, buildings and furniture and machineries erected thereon Bintan Agro Beach Resort for an aggregate consideration of S$29 million (equivalent to approximately HK$168.4 million).

Nonetheless, the Group continues in seeking acquisition opportunities to expand the hotel business in Southeast Asian countries and or the PRC.

OUTLOOKS

The Group adopts an optimistic attitude and is confident in its future growth on its existing business and newly acquired business. Apart from attracting new valuable guests to Link Hotel in Singapore, the Group will continue to focus on the development of the Bintan Land to contribute income to the Group and increase return of the assets and enterprise value, with an aim to be a leader of vacation and resort industry in Asia with international competitiveness. To broaden the Group's income stream, the Group will take the opportunity of "One Belt, One Road" and continuously seek potential acquisition opportunities in the PRC.

Apart from the existing investment in an associate and the distressed debt assets, the Group will continue to explore potential projects for expanding its business horizon to the Greater China region and other Asian countries in order to capture the rapid economic growth from the recent growth in the tourism industry in the PRC and other areas in Asia, The Group will further seek potential acquisition opportunities to maximise shareholder's value.

OTHER INFORMATION

ANNUAL GENERAL MEETING (THE "AGM")

The 2018 AGM of the Company will be held on Friday, 24 May 2019 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 Monday, 20 May 2018 to Friday 24 May 2018 (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 Friday, 18 May 2018.

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 2018 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 draft consolidated financial statements for the year ended 31 December 2018. 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 2018, 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 and Futures Ordinance (Charter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to 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 2018, 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 2018, 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%
China Minsheng Asia Assets Management Company Limited (Formerly known as Minsheng (Shanghai) Assets Management Company Limited# 中民投亞洲資產管理有限公司（前稱民生（上海）資產管理有限公司）("CMI Asia")	Interest of controlled corporation	690,000,000 *(Note 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%
China Orient Asset Management Corporation ("China Orient")	Beneficial owner	310,000,000 *(Note 4)*	8.88%

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

4. Pursuant to the disclosure of interest from filed by China Orient, it has (i) a security interest in 200,000,000 Shares, and (ii) a deemed interest in 110,000,000 Shares held by its controlled corporation.

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

Save as disclosed above, as at 31 December 2018, 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 2018, 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, 29 March 2019

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. Luo Guorong and Ms. Zhang Shuo; and the independent non-executive Directors are Mr. Thng Bock Cheng John, Mr. Chan So Kuen, and Mr. Lai Yang Chau, Eugene.

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 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.*