



# Link Holdings Limited 華星控股有限公司\*

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



**2019**  
Third Quarterly  
Report



\* For identification purposes only

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## CONTENTS

Corporate Information	2
Financial Highlights	4
Condensed Consolidated Statements of Comprehensive Income	5
Condensed Consolidated Statements of Changes in Equity	7
Notes to the Financial Information	10
Management Discussion and Analysis	16
Other Information	20



# CORPORATE INFORMATION

## **DIRECTORS**

### **Executive Directors**

Mr. Ngan Iek (*Chairman*)  
Datuk Siew Pek Tho  
Mr. Chen Changzheng  
(resigned on 30 July 2019)

### **Non-executive Directors**

Ms. Ngan Iek Peng  
Mr. Luo Guorong  
Ms. Zhang Shuo

### **Independent non-executive Directors**

Mr. Thng Bock Cheng John  
Mr. Chan So Kuen  
Mr. Lai Yang Chau, Eugene

## **COMPANY SECRETARY**

Mr. Tong Hing Wah, HKICPA

## **COMPLIANCE OFFICER**

Datuk Siew Pek Tho

## **AUDIT COMMITTEE**

Mr. Chan So Kuen (*Chairman*)  
Mr. Thng Bock Cheng John  
Mr. Lai Yang Chau, Eugene

## **REMUNERATION COMMITTEE**

Mr. Lai Yang Chau, Eugene  
(*Chairman*)  
Mr. Ngan Iek  
Datuk Siew Pek Tho  
Mr. Chan So Kuen  
Mr. Thng Bock Cheng John

## **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

Mr. Ngan Iek (*Chairman*)  
Datuk Siew Pek Tho  
Mr. Chan So Kuen  
Mr. Lai Yang Chau, Eugene  
Mr. Thng Bock Cheng John

## **REGISTERED OFFICE**

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PRINCIPAL PLACE OF  
BUSINESS IN HONG KONG**

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Sheung Wan, Hong Kong

**PRINCIPAL SHARE  
REGISTRAR AND  
TRANSFER OFFICE IN  
THE CAYMAN ISLANDS**

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**HONG KONG BRANCH  
SHARE REGISTRAR AND  
TRANSFER OFFICE**

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183 Queen's Road East  
Hong Kong

**PRINCIPAL BANKER**

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**AUDITOR**

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

**STOCK CODE**

8237

**COMPANY'S WEBSITE**

[www.linkholdingslimited.com](http://www.linkholdingslimited.com)

## FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of Link Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the nine months ended 30 September 2019 (the “**Review Period**”) together with the comparative figures for the corresponding period in 2018 as set out below. This quarterly report has been reviewed by the audit committee of the Board (the “**Audit Committee**”).

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

- revenue of the Group amounted to approximately HK\$54.7 million (2018: approximately HK\$51.1 million), representing an increase of approximately 6.9% as compared to the corresponding period in 2018.
- profit attributable to owners of the Company amounted to approximately HK\$7.3 million (2018: approximately HK\$6.3 million), representing an increase of approximately 15.1% as compared to the corresponding period in 2018.
- basic earnings per share was approximately HK0.21 cents (2018: approximately HK\$0.18 cents).

# CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019

	Notes	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
		2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
<b>Revenue</b>	3	<b>54,661,068</b>	51,115,551	<b>20,433,896</b>	14,041,946
Cost of sales		<b>(12,731,706)</b>	(12,294,931)	<b>(4,688,736)</b>	(4,241,232)
Gross profit		<b>41,929,362</b>	38,820,620	<b>15,745,160</b>	9,800,714
Other income, other gains and losses		<b>295,745</b>	3,648,828	<b>102,744</b>	400,596
Selling expenses		<b>(1,385,473)</b>	(1,634,102)	<b>(569,329)</b>	(642,311)
Administrative expenses		<b>(31,086,574)</b>	(27,606,385)	<b>(12,813,308)</b>	(7,153,755)
Finance costs		<b>(8,431,177)</b>	(7,067,528)	<b>(2,493,163)</b>	(1,991,577)
Share of result of an associate		<b>2,056,064</b>	(1,412,307)	<b>3,294,710</b>	(123,150)
Fair value gain/(loss) on investment properties		<b>8,554,621</b>	3,897,634	<b>8,075</b>	(78,161)
Profit before income tax expense	4	<b>11,932,568</b>	8,646,760	<b>3,274,889</b>	212,356
Income tax expense	5	<b>(4,302,047)</b>	(2,101,593)	<b>(881,508)</b>	(137,834)
<b>Profit for the period</b>		<b>7,630,521</b>	6,545,167	<b>2,393,381</b>	74,522
<b>Other comprehensive income/(expense) that will not be reclassified to profit or loss:</b>					
Gain/(loss) on revaluation of properties		<b>1,291,061</b>	171,181	<b>(23,422)</b>	(979)
Tax (expense)/income related to gain/(loss) on revaluation of properties		<b>(219,480)</b>	(29,101)	<b>3,982</b>	166
Share of other comprehensive income/(expense) of an associate		-	(158,830)	-	-
<b>Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss:</b>					
Exchange difference on translating foreign operations		<b>(10,695,995)</b>	(28,393,562)	<b>(12,907,683)</b>	(16,512,081)
Loss on cash flow hedges		<b>(103,238)</b>	-	-	-
Other comprehensive income/(expense) for the period, net of tax		<b>(9,727,652)</b>	(28,410,312)	<b>(12,927,123)</b>	(16,512,894)
<b>Total comprehensive income/(expense) for the period</b>		<b>(2,097,131)</b>	(21,865,145)	<b>(10,533,742)</b>	(16,438,372)

# CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019

	Notes	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
		2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Profit (loss) for the period attributable to:					
Owners of the Company		<b>7,296,597</b>	6,337,865	<b>2,527,156</b>	68,497
Non-controlling interest		<b>333,924</b>	207,302	<b>(133,775)</b>	6,025
		<b>7,630,521</b>	6,545,167	<b>2,393,381</b>	74,522
Total comprehensive income/(expense) attributable to:					
Owners of the Company		<b>(2,547,923)</b>	(21,566,025)	<b>(10,399,464)</b>	(16,198,798)
Non-controlling interest		<b>450,792</b>	(299,120)	<b>(134,278)</b>	(239,574)
		<b>(2,097,131)</b>	(21,865,145)	<b>(10,533,742)</b>	(16,438,372)
Earnings per share	7				
Basic earnings per share (HK cents)		<b>0.209</b>	0.182	<b>0.072</b>	0.002
Diluted earnings per share (HK cents)		<b>0.205</b>	0.178	<b>0.071</b>	0.002



# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2018

	Attributable to equity holders of the Company									
	Share capital HK\$	Share premium HK\$ (Note a)	Hotel properties revaluation reserve HK\$ (Note b)	Other reserves HK\$ (Note c)	Translation reserve HK\$ (Note d)	Convertible bonds reserve HK\$ (Note e)	Retained earnings HK\$	Total HK\$	Non-controlling interest HK\$	Total equity HK\$
Balance at 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
Profit for the period	-	-	-	-	-	-	6,337,865	6,337,865	207,302	6,545,167
Other comprehensive income/(expense)										
- Gain on revaluation of properties	-	-	171,181	-	-	-	-	171,181	-	171,181
- Tax expense related to gain on revaluation of properties	-	-	(29,101)	-	-	-	-	(29,101)	-	(29,101)
- Share of other comprehensive income/(expense) of an associate	-	-	(158,830)	-	-	-	-	(158,830)	-	(158,830)
- Exchange differences arising on translation of foreign operations	-	-	-	-	(27,887,140)	-	-	(27,887,140)	(506,422)	(28,393,562)
Total comprehensive income/(expense) for the period	-	-	(16,750)	-	(27,887,140)	-	6,337,865	(21,566,025)	(299,120)	(21,865,145)
Share issued to non-controlling shareholder in a subsidiary	-	-	-	-	-	-	-	-	39	39
<b>Balance as at 30 September 2018 (Unaudited)</b>	<b>3,490,000</b>	<b>333,122,249</b>	<b>66,654,406</b>	<b>2,014,251</b>	<b>(45,230,674)</b>	<b>10,698,249</b>	<b>78,209,890</b>	<b>448,958,371</b>	<b>5,347,669</b>	<b>454,306,040</b>

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

	Attributable to owners of the Company										
	Share capital	Share premium	Hotel properties		Convertible bonds			Retained earnings	Non-controlling interests	Total equity	
			revaluation reserve	Other reserve	Translation reserve	reserves	Hedging reserve				
			HK\$	HK\$	HK\$	HK\$	HK\$				HK\$
	(note a)	(note b)	(note c)	(note d)	(note e)	(note f)	HK\$	HK\$	HK\$		
Balance at 1 January 2019	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
Profit for the period	-	-	-	-	-	-	-	7,296,597	7,296,597	333,924	7,630,521
Other comprehensive income/(expense)											
- Gain on revaluation of properties	-	-	1,291,061	-	-	-	-	-	1,291,061	-	1,291,061
- Tax expense related to gain on revaluation of properties	-	-	(219,480)	-	-	-	-	-	(219,480)	-	(219,480)
- Exchange differences arising on translation of foreign operations	-	-	-	-	(10,812,863)	-	-	-	(10,812,863)	116,868	(10,695,995)
- Loss on cash flow hedge	-	-	-	-	-	-	(103,238)	-	(103,238)	-	(103,238)
Total comprehensive income/(expense) for the period	-	-	1,071,581	-	(10,812,863)	-	(103,238)	7,296,597	(2,547,923)	450,792	(2,097,131)
Balance at 30 September 2019 (Unaudited)	3,490,000	333,122,249	69,048,455	2,014,251	(48,603,246)	10,698,249	(4,071,356)	75,914,840	441,613,442	5,962,055	447,575,497

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

## 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 from the revaluation of hotel buildings of the Group and the associate (other than investment property).
- c. The other reserve of the Group represents the difference between the nominal value of shares issued by the Company and the aggregate nominal value of the issued share capital of the subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in a subsidiary acquired.
- d. 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 FINANCIAL INFORMATION

## 1 CORPORATE INFORMATION

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

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

## 2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The financial information for the Review Period has been prepared in accordance with the International Accounting Standard issued by the International Accounting Standards Board and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies applied are consistent with those adopted in the 2018 annual financial statements included in the Company's 2018 annual report, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019.

The Group has adopted all of the new and revised standards, amendments and interpretations which are relevant to its operations and effective for the accounting periods beginning on or after 1 January 2019. Please refer to the Company's interim report for the six months ended 30 June 2019 for details of those accounting policies newly adopted since 1 January 2019.

Except for IFRS16 "Leases", the adoption of these new and revised standards, amendments and interpretation does not have significant impact on the accounting policies of the Group, and the amounts reported for the current period and prior periods.

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

## NOTES TO THE FINANCIAL INFORMATION

### 3 REVENUE

An analysis of the Group's revenue is as follows:

	(Unaudited)		(Unaudited)	
	For nine months ended		For three months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$
Income from distressed debt				
assets classified as receivables	<b>29,800,487</b>	16,432,335	<b>10,441,442</b>	(366,869)
Less: modification loss (Note a)	<b>(14,864,418)</b>	(4,911,759)	<b>(5,870,917)</b>	109,696
	<b>14,936,069</b>	11,520,576	<b>4,570,525</b>	(257,173)
<i>Hotel operations:</i>				
Hotel room	<b>30,556,692</b>	31,636,526	<b>12,717,571</b>	11,064,924
Food and beverage	<b>4,022,607</b>	2,244,163	<b>1,667,061</b>	1,379,722
Rental income from hotel				
properties	<b>4,178,993</b>	4,596,333	<b>1,175,031</b>	1,497,160
Others (Note b)	<b>966,707</b>	1,117,953	<b>303,708</b>	357,313
	<b>54,661,068</b>	51,115,551	<b>20,433,896</b>	14,041,946

Notes:

- a The amount arises 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.

## NOTES TO THE FINANCIAL INFORMATION

### 4 PROFIT BEFORE INCOME TAX EXPENSE

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

	(Unaudited)		(Unaudited)	
	For nine months ended		For three months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$
Staff costs				
– Wages and salaries	<b>(13,205,554)</b>	(11,091,549)	<b>(4,795,342)</b>	(3,358,794)
– Short-term non-monetary benefits	<b>(990,561)</b>	(743,272)	<b>(197,219)</b>	(256,519)
– Contributions to defined contribution plans	<b>(901,128)</b>	(1,048,208)	<b>(267,577)</b>	(388,024)
Depreciation of property, plant and equipment	<b>(7,590,870)</b>	(7,553,759)	<b>(2,238,126)</b>	(1,657,682)
Depreciation of right-of-use assets	<b>(455,765)</b>	–	<b>(273,459)</b>	–
Amortisation of prepaid lease payments	<b>(1,180,063)</b>	(1,200,991)	<b>(390,109)</b>	(391,888)
Gain on disposal of property, plant and equipment	–	159,937	–	–
Singapore property taxes	<b>(1,519,810)</b>	(1,695,063)	<b>(502,039)</b>	(440,069)

## 5 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the nine months ended 30 September 2019 (2018: Nil). Singapore corporate income tax has been provided on the estimated assessable profits arising in Singapore at the rate of 17% during the nine months ended 30 September 2019 (2018: 17%).

The subsidiaries in Indonesia are subject to 25% on their assessable profits for the nine months ended 30 September 2019 as determined in accordance with the relevant Indonesia income tax rules and regulations (2018: 25%).

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

	(Unaudited)		(Unaudited)	
	For nine months ended		For three months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$
Current tax expense for the period				
– Singapore Corporate Income Tax	<b>(2,163,392)</b>	(1,127,185)	<b>(879,490)</b>	(157,375)
Deferred tax for the period	<b>(2,138,655)</b>	(974,408)	<b>(2,018)</b>	19,541
Total income tax expense for the period	<b>(4,302,047)</b>	(2,101,593)	<b>(881,508)</b>	(137,834)

## NOTES TO THE FINANCIAL INFORMATION

### 6 DIVIDEND

The Directors do not recommend payment of quarterly dividend for the nine months ended 30 September 2019 (2018: Nil).

### 7 EARNINGS PER SHARE

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

	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
<b>Earnings</b>				
Earnings for the purposes of				
basic earnings per share	<b>7,296,597</b>	6,337,865	<b>2,527,156</b>	68,497
Interest expenses on convertible bonds	-	-	-	-
Earnings for the purposes of				
diluted earnings per share	<b>7,296,597</b>	6,337,865	<b>2,527,156</b>	68,497



## NOTES TO THE FINANCIAL INFORMATION

	For nine months ended		For three months ended	
	30 September		30 September	
	2019	2018	2019	2018
	Shares	Shares	Shares	Shares

### Number of shares:

Weighted average number of ordinary shares for the purpose of basic earnings per share	3,490,000,000	3,490,000,000	3,490,000,000	3,490,000,000
Effect of dilutive potential ordinary shares on convertible bonds	76,600,000	76,600,000	76,600,000	76,600,000

Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,566,600,000	3,566,600,000	3,566,600,000	3,566,600,000
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Ordinary shares are derived from 3,490,000,000 ordinary shares, being the number of shares in issue during the period ended 30 September 2019 (2018: 3,490,000,000 ordinary shares).

For nine months ended 30 September 2019 and 2018, diluted earnings per share assumed the conversion of the Company's outstanding convertible bonds.

## 8 APPROVAL OF FINANCIAL INFORMATION

These financial information was approved and authorised for issue by the Board on 11 November 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the Review Period, the Group 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 REVIEW

For the Review Period, the Group recorded a revenue of approximately HK\$54.7 million (2018: approximately HK\$51.1 million), accounting for an increase of approximately HK\$3.5 million or 6.9% as compared to the corresponding period in 2018, which was mainly due to the increase in income from distressed debt assets. The net profit increased from approximately HK\$6.5 million of the corresponding period in 2018 to approximately HK\$7.6 million for the Review Period, representing an increase of approximately HK\$1.1 million or 16.6%. Such improvement of the Group's performance was mainly due to the combined net effect of: (i) increase in gross profit by approximately HK\$3.1 million; (ii) increase in gain on changes in fair value of investment properties by approximately HK\$4.7 million; (iii) increase in share of results of an associate by approximately HK\$3.5 million; which were mitigated by: (iv) decrease in other income, other gains and losses (net) by approximately HK\$3.4 million; (v) increase in operating expenses (including selling expenses, administrative expenses and finance costs) by an aggregate of approximately HK\$4.6 million; and (vi) increase in income tax expense by approximately HK\$2.2 million.

For the Review Period, profit attributable to owners of the Company was approximately HK\$7.3 million (2018: approximately HK\$6.3 million). Basic earnings per share for the Review Period was approximately HK\$0.21 cents (2018: HK\$0.18 cents). The Board does not recommend the payment of any quarterly dividend for the Review Period (2018: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group commenced operations of its hotel business in Singapore with the opening of Link Hotel in 2007 and added the distressed debt assets management business in 2017. The Group opened a new resort hotel, namely Hanatsubaki Spa Hotel in Japan in September 2019. Save as disclosed in this report, there is no material change in business during the Review Period. The operation of Link Hotel has been and is expected to continue as the Group's principal business.

## HOTEL OPERATION

For the Review Period, room revenue amounted to approximately HK\$30.6 million (2018: approximately HK\$31.6 million) accounting for approximately 55.9% (2018: approximately 61.8%) of the Group's total revenue. Room revenue mainly represents revenue generated from hotel accommodation in Link Hotel, which accounted for approximately 99.0% of total room revenue for the Review Period (2018: 100%), and depends in part on the achieved average room rate and occupancy rate. Room revenue for the Review Period also included a small contribution from the Group's resort hotel in Japan which was newly opened in September 2019.

The following table sets out the total available room nights, occupancy rate, average room rate and Revenue per Available Room ("RevPAR") of Link Hotel for the Review Period:

	Nine months ended 30 September	
	2019	2018
Total available room nights	<b>74,802</b>	74,802
Occupancy rate	<b>67%</b>	65%
Average room rate (HK\$)	<b>555.2</b>	587.5
RevPAR (HK\$)	<b>369.4</b>	383.8

## MANAGEMENT DISCUSSION AND ANALYSIS

For the Review Period, food and beverage revenue was approximately HK\$4.0 million (2018: approximately HK\$2.2 million), representing approximately 7.4% (2018: approximately 4.3%) of the total revenue. Food and beverage revenue represents the sale of food and beverages in the restaurants, bars, room services and meeting spaces of the Group's hotels.

The Group leased shop units in its hotels and received rental income from hotel tenants. For the Review Period, rental income from hotel tenants was approximately HK\$4.2 million (2018: approximately HK\$4.6 million), representing approximately 7.6% (2018: approximately 9.0%) of the total revenue.

### **BINTAN ASSETS**

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). During 2017, the construction plan has been amended for more fitting to the latest theme of the resort. Upon finalising the improvement changes during the Review Period, it is currently expected that the construction will be completed in around mid 2020.

### **DISTRESSED DEBT ASSETS MANAGEMENT BUSINESS**

In 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 assigned to the Assignee 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 Review Period, the income from distressed debt assets (net of modification loss) was approximately HK\$14.9 million (2018: approximately HK\$11.5 million), accounting for approximately 27.3% (2018: approximately 22.5%) of the Group's total revenue.

### **OUTLOOK**

The Group adopts an optimistic attitude and is confident in the future growth of its existing and new businesses. Apart from attracting new valuable guests to Link Hotel in Singapore and the newly opened Hanatsubaki Spa Hotel in Japan, 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 People's Republic of China.

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 People's Republic of China and other area in Asia.

## OTHER INFORMATION

### **AUDIT COMMITTEE**

The Audit Committee was responsible for, among others, reviewing and providing supervision over the Group's financial reporting process, risk management and internal control system, and providing advice to the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan So Kuen, Mr. Thng Bock Cheng John and Mr. Lai Yang Chau, Eugene. Mr. Chan So Kuen is the chairman of the Audit Committee.

The condensed consolidated financial statements for the Review Period have not been audited by the auditors of the Company. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited financial results for the Review Period.

### **COMPETING INTEREST**

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 anytime during the Review Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Review Period. Neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the Review Period.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 September 2019, 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 Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

### Long position in shares of the Company

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

*Note:* These shares are registered in the name of Vertic Holdings Limited ("Vertic"), a company beneficially owned as to 50% by Mr. Ngan Iek, 25% by Ms. Ngan Iek Chan and 25% by Ms. Ngan Iek Peng. Mr. Ngan Iek is the elder brother of Ms. Ngan Iek Chan and Ms. Ngan Iek Peng. Mr. Ngan Iek is deemed to be interested in the shares of the Company held by Vertic under Part XV of the SFO. Mr. Ngan Iek is a director of Vertic.

## OTHER INFORMATION

### **Long position in Vertic, an associated corporation of the Company**

<b>Name of Directors</b>	<b>Nature of interest</b>	<b>Number of shares held in the associated corporation</b>	<b>Approximate percentage of shareholding in the associated corporation</b>
Mr. Ngan Iek	Beneficial owner	500	50%
Ms. Ngan Iek Peng	Beneficial owner	250	25%
Datuk Siew Pek Tho	Interest of spouse ( <i>Note</i> )	250	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 30 September 2019, 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 5.46 to 5.67 of the GEM Listing Rules.



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

As at 30 September 2019, 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 <sup>#</sup> (Formerly known as "Minsheng (Shanghai) Assets Management Company Limited <sup>#</sup> ") 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%

## OTHER INFORMATION

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage
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 turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the shares held by CMI Hong Kong under Part XV of the SFO.
4. Pursuant to the notices of disclosure of interest filed by China Orient, it has (i) a security interest in 200,000,000 Shares, and (ii) a deemed interest in 110,000,000 Shares held by its controlled corporation.

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

Name of the holder of the convertible bonds	Capacity	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company
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, a company wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the underlying shares held by CMI Hong Kong under Part XV of the SFO.

## OTHER INFORMATION

Save as disclosed above, as at 30 September 2019, 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 total number of issued shares of the Company carrying rights to vote in all circumstances at general meetings of any member of the Group.

By Order of the Board  
**Link Holdings Limited**  
**Ngan Iek**

*Chairman and executive Director*

Hong Kong, 11 November 2019

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