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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 2015

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

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

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

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

* For identification purposes only

ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015, together with the comparative audited figures for the year ended 31 December 2014.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
Revenue	5	41,961,139	67,828,429
Cost of sales		(16,605,745)	(21,615,900)
Gross profit		25,355,394	46,212,529
Other income	6	708,584	1,140,999
Selling expenses		(1,909,729)	(2,455,865)
Administrative expenses		(32,767,629)	(40,022,407)
Finance costs	7	(6,277,119)	(5,397,877)
Gain on changes in fair value of investment properties		14,889,738	2,254,909
Fair value gain on derivative financial instruments		274,571	135,243
Profit before income tax credit/(expense)	8	273,810	1,867,531
Income tax credit/(expense)	9	1,023,185	(3,350,947)
Profit/(loss) for the year		1,296,995	(1,483,416)
Other comprehensive income that will not be reclassified to profit or loss:			
Gain on revaluation of properties		76,818,222	–
Tax expense related to gain on revaluation of properties		(13,059,098)	–
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		(11,437,213)	(15,583,547)
Other comprehensive income for the year, net of tax		52,321,911	(15,583,547)
Total comprehensive income for the year		53,618,906	(17,066,963)
(Loss)/Profit attributable to:			
Owners of the Company		(1,979,068)	(2,203,704)
Non-controlling interests		3,276,063	720,288
		1,296,995	(1,483,416)
Total comprehensive income attributable to:			
Owners of the Company		50,176,310	(17,015,538)
Non-controlling interests		3,442,596	(51,425)
		53,618,906	(17,066,963)
Losses per share			
– Basic and diluted (HK cents per share)	10	(0.07)	(0.09)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
Non-current assets			
Property, plant and equipment	<i>12</i>	192,136,997	79,171,863
Investment properties	<i>12</i>	142,642,525	137,012,996
Prepaid lease payments		72,397,016	78,874,387
Deposits paid in connection with the acquisition of an associate	<i>18</i>	1,662,721	–
Deposits for acquisition of lands	<i>13</i>	10,956,600	–
Total non-current assets		419,795,859	295,059,246
Current assets			
Hotel inventories		103,619	164,190
Trade and other receivables	<i>14</i>	8,081,901	8,728,444
Amount due from a director		–	776,037
Cash and cash equivalents		325,996,570	102,476,136
Total current assets		334,182,090	112,144,807
Current liabilities			
Trade and other payables	<i>15</i>	31,029,543	7,996,217
Amount due to non-controlling interests		21,379,555	23,012,351
Interest-bearing bank borrowings		58,572,830	134,560,166
Amount due to a director		29,500,000	–
Provision for taxation		377,337	4,533,878
Derivative financial instruments		209,934	2,294,296
Total current liabilities		141,069,199	172,396,908
Net current assets/(liabilities)		193,112,891	(60,252,101)
Total assets less current liabilities		612,908,750	234,807,145
Non-current liabilities			
Interest-bearing bank borrowings		143,160,547	80,199,009
Deferred tax liabilities		11,559,366	435,379
Derivative financial instruments		–	293,855
Convertible bonds	<i>16</i>	13,653,792	–
Total non-current liabilities		168,373,705	80,928,243
Net assets		444,535,045	153,878,902
Equity			
Share capital	<i>17</i>	3,490,000	2,800,000
Reserves		432,774,276	146,423,163
Non-controlling interests		436,264,276	149,223,163
		8,270,769	4,655,739
Total equity		444,535,045	153,878,902

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company									
	Share capital HK\$	Share premium HK\$ (note 1)	Hotel properties revaluation reserve HK\$ (note 2)	Other reserve HK\$ (note 3)	Translation reserve HK\$ (note 4)	Convertible bonds reserve HK\$ (note 5)	Retained earnings HK\$	Total HK\$	Non-controlling interests HK\$	Total equity HK\$
At 1 January 2014	15	-	-	-	700,862	-	113,719,068	114,419,945	4,707,164	119,127,109
(Loss)/Profit for the year	-	-	-	-	-	-	(2,203,704)	(2,203,704)	720,288	(1,483,416)
Other comprehensive income										
- Exchange differences arising on translation of foreign operations	-	-	-	-	(14,811,834)	-	-	(14,811,834)	(771,713)	(15,583,547)
Total comprehensive income for the year	-	-	-	-	(14,811,834)	-	(2,203,704)	(17,015,538)	(51,425)	(17,066,963)
Elimination of share capital upon reorganisation	(15)	-	-	15	-	-	-	-	-	-
Shares issued	1	-	-	-	-	-	-	1	-	1
Capitalisation issue (note 17(a))	2,099,999	(2,099,999)	-	-	-	-	-	-	-	-
Placing of new shares (note 17(b))	700,000	121,800,000	-	-	-	-	-	122,500,000	-	122,500,000
Share issues expenses	-	(12,054,306)	-	-	-	-	-	(12,054,306)	-	(12,054,306)
Dividend declared and paid (note 11)	-	-	-	-	-	-	(58,626,939)	(58,626,939)	-	(58,626,939)
At 31 December 2014 and 1 January 2015	2,800,000	107,645,695	-	15	(14,110,972)	-	52,888,425	149,223,163	4,655,739	153,878,902
(Loss)/Profit for the year	-	-	-	-	-	-	(1,979,068)	(1,979,068)	3,276,063	1,296,995
Other comprehensive income										
- Gain on revaluation of properties	-	-	76,818,222	-	-	-	-	76,818,222	-	76,818,222
- Tax expense related to gain on revaluation of properties	-	-	(13,059,098)	-	-	-	-	(13,059,098)	-	(13,059,098)
- Exchange differences arising on translation of foreign operations	-	-	-	-	(11,603,746)	-	-	(11,603,746)	166,533	(11,437,213)
Total comprehensive income for the year	-	-	63,759,124	-	(11,603,746)	-	(1,979,068)	50,176,310	3,442,596	53,618,906
Shares issued	690,000	227,010,000	-	-	-	-	-	227,700,000	-	227,700,000
Shares issues expenses	-	(1,533,446)	-	-	-	-	-	(1,533,446)	-	(1,533,446)
Shares issued to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	172,434	172,434
Issue of convertible bonds	-	-	-	-	-	10,698,249	-	10,698,249	-	10,698,249
At 31 December 2015	3,490,000	333,122,249	63,759,124	15	(25,714,718)	10,698,249	50,909,357	436,264,276	8,270,769	444,535,045

Notes:

- The share premium account of the Group represents the premium arising from the issuance of shares at premium.
- Hotel properties revaluation reserve represents the gains arising on the revaluation of the Group's leasehold land and buildings (other than investment property). The balance on this reserve is wholly undistributable.
- 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.
- 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.
- Amount of proceeds on issue of convertible bonds, net of issue expenses, relating to the equity component (i.e. option to convert the debt into share capital).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 May 2012 under the Companies Law, Cap 22 of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Unit No. 3503 on 35/F of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The ordinary shares of the Company are listed on the GEM of the Stock Exchange.

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

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2016.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(a) Adoption of new/revised IFRS

IFRSs (Amendments)	Annual Improvements 2010-2012 cycle
IFRSs (Amendments)	Annual Improvements 2011-2013 cycle
Amendments to IAS 19 (2011)	Defined Benefit Plans: Employee Contributions

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

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

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

IFRSs (Amendments)	Annual Improvements 2012-2014 Cycle ¹
Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to IAS 27	Equity Method in Separate Financial Statements ¹
IFRS 9 (2014)	Financial Instruments ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidated Exception ¹
IFRS 15	Revenue from Contracts with Customers ²
IFRS 16	Lease ³

¹ Effective for annual periods beginning on or after 1 January 2016

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

³ Effective for annual periods beginning on or after 1 January 2019

* No mandatory effective date yet determined but it is available for immediate adoption

Amendments to IAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of IAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

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

IFRS 9 (2014) – Financial Instruments

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

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

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at fair value through profit or loss, 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.

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.

Amendments to IFRS 10, IFRS 12 and IAS 28 in relation to applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by IFRS 12.

IFRS 15 – Revenue from Contracts with Customers

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

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

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

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

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

The disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the new Hong Kong Companies Ordinance, Cap. 622. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements.

(c) Change in accounting policy

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

3 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

4 OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision maker considers the business primarily on the basis of the geographical locations. The Group has two reportable segments. The following summary describes the operations in each of the Group’s reportable segments:

- Singapore
- Indonesia

(a) Reportable segments

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

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

Segment revenue and results

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

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

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

Segment assets

All assets are allocated to reportable segments other than deposits paid in connection with the acquisition of an associate, prepayment of legal and professional fees for the acquisition, amount due from a director and cash and cash equivalent.

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Singapore	272,083,776	165,161,411
Indonesia	<u>153,599,126</u>	<u>138,769,669</u>
Total segment assets	425,682,902	303,931,080
Unallocated	<u>328,295,047</u>	<u>103,272,973</u>
Consolidated assets	<u>753,977,949</u>	<u>407,204,053</u>

Segment liabilities

All liabilities are allocated to reportable segments other than derivative financial instruments, provision for taxation, accruals of corporate expenses, amount due to a director, convertible bonds and deferred tax liabilities.

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Singapore	229,579,420	222,233,112
Indonesia	<u>21,395,420</u>	<u>23,012,351</u>
Total segment liabilities	250,974,840	245,245,463
Unallocated	<u>58,468,064</u>	<u>8,079,688</u>
Consolidated liabilities	<u>309,442,904</u>	<u>253,325,151</u>

Other segment information

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

	Singapore <i>HK\$</i>	Indonesia <i>HK\$</i>	Total <i>HK\$</i>
For the year ended 31 December 2015			
Additions to property, plant and equipment	54,646,439	–	54,646,439
Depreciation of property, plant and equipment	(11,945,123)	–	(11,945,123)
Amortisation of prepaid lease payments	(1,437,461)	–	(1,437,461)
Gain on changes in fair value of investment properties	–	14,889,738	14,889,738
Interest income	34,390	–	34,390
Interest expenses	(6,126,615)	–	(6,126,615)
	<u>54,646,439</u>	<u>14,889,738</u>	<u>69,536,173</u>

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

	Singapore <i>HK\$</i>	Indonesia <i>HK\$</i>	Total <i>HK\$</i>
For the year ended 31 December 2014			
Additions to property, plant and equipment	664,130	–	664,130
Depreciation of property, plant and equipment	(11,008,701)	–	(11,008,701)
Amortisation of prepaid lease payments	(1,585,420)	–	(1,585,420)
Gain on changes in fair value of investment properties	–	2,254,909	2,254,909
Gain on disposal of property, plant and equipment	52,029	–	52,029
Impairment loss on trade receivables	(126,150)	–	(126,150)
Interest income	172,123	–	172,123
Interest expenses	(5,397,877)	–	(5,397,877)
	<u>664,130</u>	<u>2,254,909</u>	<u>2,919,039</u>

(b) Geographical information

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

	Non-current assets	
	As at 31 December	
	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Singapore	264,082,513	158,025,450
Indonesia	153,599,126	137,012,996
Hong Kong	2,114,220	20,800
	<u>419,795,859</u>	<u>295,059,246</u>

(c) Information about major customers

The Group did not have any single customer contributed more than 10% of the Group's revenue during the year (2014: Nil).

5. REVENUE

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

	Year ended 31 December	
	2015	2014
	HK\$	HK\$
Hotel room	30,542,602	54,656,272
Food and beverage	2,950,175	5,564,154
Rental income from hotel properties	3,805,276	3,967,294
Rental income from investment properties	3,385,380	1,836,330
Others (<i>note</i>)	1,277,706	1,804,379
	<u>41,961,139</u>	<u>67,828,429</u>

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

6. OTHER INCOME

Other income is analysed as follows:

	Year ended 31 December	
	2015	2014
	HK\$	HK\$
Government grants (<i>note</i>)	242,046	303,422
Interest income from bank deposits	83,045	172,123
Others	383,493	665,454
	<u>708,584</u>	<u>1,140,999</u>

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	
	2015	2014
	HK\$	HK\$
Interest on bank borrowings		
– Wholly repayable within five years	2,865,607	3,018,148
– Not wholly repayable within five years	3,000,801	2,105,924
Bank overdraft interest	260,207	273,021
Finance leases interest	–	784
Convertible bonds	150,504	–
	<u>6,277,119</u>	<u>5,397,877</u>

The analysis shows the finance costs of bank borrowings, including term loans which contain the agreed scheduled repayment dates and a repayment on demand clause. For the year ended 31 December 2015, the interest on bank borrowings which contain a repayment on demand clause amounted to HK\$1,390,800 (2014: HK\$1,187,618).

8. PROFIT BEFORE INCOME TAX CREDIT/(EXPENSE)

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

	Year ended 31 December	
	2015	2014
	HK\$	HK\$
Staff costs (excluding directors' remuneration)		
Wages and salaries	12,311,550	12,911,110
Short-term non-monetary benefits	1,028,580	1,177,800
Contributions to defined contribution plans	1,757,556	2,185,403
	<u>15,097,686</u>	<u>16,274,313</u>
Depreciation of property, plant and equipment		
– Owned	11,999,748	10,852,205
– Held under finance leases	–	156,496
	<u>11,999,748</u>	<u>11,008,701</u>
Gain on changes in fair value of investment properties	(14,889,738)	(2,254,909)
Gain on disposal of property, plant and equipment	–	(52,029)
Fair value gain on derivative financial instruments	(274,571)	(135,243)
Auditor's remuneration	562,000	899,364
Amortisation of prepaid lease payments	1,437,461	1,585,420
Impairment loss on trade receivables	–	126,150
Listing expenses	–	10,635,770
Singapore property taxes	2,463,428	3,018,314
	<u>2,463,428</u>	<u>3,018,314</u>

9. INCOME TAX CREDIT/(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 (2014: Nil). Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 17% (2014: 17%). Taxes on profits assessable in elsewhere have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

The subsidiaries in Indonesia are subject to final income tax at rates of 10% and 25% on their gross rental income and assessable profits respectively as determined in accordance with the relevant Indonesia income tax rules and regulations (2014: 10% on its gross rental income).

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

	Year ended 31 December	
	2015	2014
	HK\$	HK\$
Current – Singapore Corporate Income Tax		
– Tax for the year	(211,485)	(2,835,018)
– Under provision in respect of prior year	–	(106,807)
Current – Indonesia Corporate Income Tax		
– Tax for the year	<u>(338,538)</u>	<u>(183,633)</u>
	<u>(550,023)</u>	<u>(3,125,458)</u>
Deferred tax		
– Current year	<u>1,573,208</u>	<u>(225,489)</u>
Total income tax credit/(expense) for the year	<u>1,023,185</u>	<u>(3,350,947)</u>

10. LOSSES PER SHARE

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

	2015 HK\$	2014 HK\$
Losses		
Losses for the purpose of basic earnings per share	<u>(1,979,068)</u>	<u>(2,203,704)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,860,493,151</u>	<u>2,454,794,521</u>

Note: For the purpose of calculation of basic losses per share for the year ended 31 December 2014, the share subdivision being effective on 16 October 2014 (note 17(c)) was deemed to be effective throughout the period from 1 January 2014 to 31 December 2014.

Diluted losses per share for the year 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 presented for the year ended 31 December 2015 (2014: diluted losses per share are the same as basic losses per share as there are no potential dilutive shares).

11. DIVIDEND

The Directors do not recommend payment of final dividend for the year ended 31 December 2015 (2014: Nil).

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

During the year ended 31 December 2015, the Group acquired property, plant and equipment amounting to HK\$55,131,763 (2014: HK\$684,930), of which HK\$49,192,571 mainly represented the leasehold improvements for the renovation of the hotel's buildings.

The hotel buildings of the Group located in Singapore were revalued as at 31 December 2015. As disclosed in note 2(c) of this announcement, the Group changed its accounting policy by accounting for hotel buildings under revaluation model from cost model. The valuations were carried out by Avista Valuation Advisory Limited ("Avista"), a firm of independent qualified valuers with professional qualifications and recent experience in the location and category of property being valued.

During the year ended 31 December 2015, a revaluation surplus of HK\$76,818,222 (2014: Nil) and applicable deferred tax thereon of HK\$13,059,098 (2014: Nil) have been recognised in other comprehensive income of consolidated statements of comprehensive income in respect of hotel buildings.

The investment properties of the Group located in Bintan Island were revalued as at 31 December 2015 and 31 December 2014. The valuations were carried out by Avista.

During the year ended 31 December 2015, a gain on changes in fair value of HK\$14,889,738 (2014: HK\$2,254,909) and applicable deferred tax thereon of HK\$1,488,974 (2014: HK\$225,489) have been recognised in consolidated statements of comprehensive income and consolidated statements of financial position respectively in respect of investment properties. No addition (2014: HK\$145,752,300) of investment properties was made during the current year.

13. DEPOSITS FOR ACQUISITION OF LANDS

The amount represents refundable earnest money to the independent representatives nominated by the vendors, one of the vendors is non-controlling interests, Mr. Tjiagus Thamrin, pursuant to the non-legally binding memorandum of understanding for the acquisition of lands located in Bintan, Indonesia.

14. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2015	2014
	HK\$	HK\$
Trade receivables (<i>note</i>)	<u>2,163,526</u>	<u>7,543,741</u>
Prepayments	757,336	318,435
Deposits	4,965,856	644,504
Other receivables	<u>195,183</u>	<u>221,764</u>
	<u>8,081,901</u>	<u>8,728,444</u>

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

Trade receivables, which generally have credit terms of 30 days, are recognised and carried at their original invoiced amounts less impairment which is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

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

	At 31 December	
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Current to 30 days	1,086,931	4,074,354
31 to 60 days	572,880	1,441,247
61 to 90 days	213,449	674,720
Over 90 days	290,266	1,353,420
	<u>2,163,526</u>	<u>7,543,741</u>

15. TRADE AND OTHER PAYABLES

	At 31 December	
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Trade payables (<i>note</i>)	1,265,502	1,273,186
Receipt in advance	108,586	1,425,605
Accruals and other payables	7,474,503	5,297,426
Construction payables	22,180,952	–
	<u>31,029,543</u>	<u>7,996,217</u>

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	
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Current to 30 days	956,836	1,137,803
31 – 60 days	154,233	94,553
61 – 90 days	–	1,401
Over 90 days	154,433	39,429
	<u>1,265,502</u>	<u>1,273,186</u>

16. CONVERTIBLE BONDS

On 8 October 2015, the Group entered into a subscription agreement with CMI Financial Holding Company Limited (“CMI Hong Kong”) to issue the 5-year convertible bonds with an aggregate principal amount of HK\$25,278,000 (the “Convertible Bonds”). The subscription was completed on 30 November 2015 and the Group issued the Convertible Bonds.

The Convertible Bonds are denominated in Hong Kong dollars and are convertible at the option of the bondholder at any time after the date of issuance up to the date falling seven days prior to the maturity date of 30 November 2020, into new share of the Company at a price of HK\$0.33 per share, subject to anti-dilutive adjustments.

The Convertible Bonds contain liability and equity components. The equity component is included in the equity headed “convertible bonds reserve”.

The fair value of the liability component of the Convertible Bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate. The effective interest rate of the liability component is approximately 13.37% per annum. The Convertible Bonds are bearing interest at fixed rate of 0.01% per annum and is payable annually in arrears.

The Convertible Bonds recognised in the consolidated statement of financial position at the date of issuance on 30 November 2015 was calculated as follows:

	2015 HK\$
Face value of Convertible Bonds issued	25,278,000
Equity component on initial recognition upon issuance of Convertible Bonds	11,174,000
Capitalised expenses	<u>(475,751)</u>
Equity component of Convertible Bonds as at 30 November	<u>10,698,249</u>
Liability component on initial recognition upon issuance of Convertible Bonds	14,104,000
Capitalised expenses	<u>(600,501)</u>
Liability component of Convertible Bonds as at 30 November	<u>13,503,499</u>

The carrying value of the liability component of the Convertible Bonds recognised in the consolidated statement of financial position at the end of the reporting period is as follows:

	2015 HK\$
At 1 January	–
Issue of Convertible Bonds	14,104,000
Capitalised expenses	(600,501)
Effective interest expense for the year (note 7)	150,504
Accrual of interest expense on Convertible Bonds	(211)
	<hr/>
At 31 December	13,653,792
	<hr/> <hr/>

The interest expense of Convertible Bonds for the year ended 31 December 2015 is calculated using the effective interest method by applying an effective interest rate of approximately 13.37% to the liability component.

17. SHARE CAPITAL

	At 31 December	
	2015	2014
	HK\$	HK\$
Authorised:		
50,000,000,000 (2014: 50,000,000,000) ordinary shares of HK\$0.001 (2014: HK\$0.001) each	50,000,000	50,000,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:		
3,490,000,000 (2014: 2,800,000,000) ordinary shares of HK\$0.001 (2014: HK\$0.001) each	3,490,000	2,800,000
	<hr/> <hr/>	<hr/> <hr/>

The movements in issued share capital were as follows:

	2015		2014	
	Number of shares in issue	Issued share capital HK\$	Number of shares in issue	Issued share capital HK\$
At 1 January	2,800,000,000	2,800,000	100	1
Capitalisation issue (note a)	–	–	209,999,900	2,099,999
Placing of new shares (note b)	–	–	70,000,000	700,000
Share subdivision (note c)	–	–	2,520,000,000	–
Issue of shares to shareholders (note d)	690,000,000	690,000	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	3,490,000,000	3,490,000	2,800,000,000	2,800,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- (a) Pursuant to the written resolution passed by the shareholders on 20 June 2014, the directors were authorised to allot and issue a total of 209,999,900 shares by way of capitalisation of the sum of HK\$2,099,999 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 209,999,900 shares for allotment and issue to the shareholders in proportion to their respective shareholdings.
- (b) In connection with the Company's placing completed on 30 June 2014, the Company issued 70,000,000 shares of HK\$0.01 each at a price of HK\$1.75 per share for a total subscription price (before related fees and expenses) of HK\$122,500,000. Dealings in the shares on the GEM of the Stock Exchange commenced on 7 July 2014.
- (c) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting of the Company held on 15 October 2014, each existing share of the Company was subdivided into ten subdivided shares. Immediately upon the share subdivision became effective on 16 October 2014, the Company had 2,800,000,000 shares in issue and fully paid.
- (d) On 8 October 2015, the Company entered into a subscription agreement with CMI Hong Kong. On 30 November 2015, the subscription was completed. The Company issued 690,000,000 subscription shares with par value of HK\$0.001 each at the subscription price of HK\$0.33 each. The issued share capital of the Company was thus increased from HK\$2,800,000 to HK\$3,490,000. The excess of subscription proceeds over the nominal value of share capital issued net of the expenses incurred thereon was credited as share premium. The Company intended to apply the net proceeds for development of the Bintan Asset (as defined in the prospectus of the Company dated 30 June 2014).

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

18. EVENTS AFTER THE REPORTING PERIOD

On 1 February 2016, the Group and an independent third party, Mr. Bi Jingjun, entered into the equity transfer agreement pursuant to which the Group has conditionally agreed to acquire and Mr. Bi Jingjun has conditionally agreed to sell 42.3% of the equity interest in Zhuhai Kang Ming De Investment Limited, at the consideration of RMB21,150,000. The deposit paid in connection with the acquisition of an associate amounted to HK\$1,662,721.

On 11 March 2016, the Group and non-controlling interests, Mr. Tjiagus Thamrin, entered into the sale and purchase agreement pursuant to which the Group has conditionally agreed to acquire and Mr. Tjiagus Thamrin has conditionally agreed to sell the paid-up capital of the subsidiary, PT Hang Huo Investment, and the loan owed by the subsidiary to Mr. Tjiagus Thamrin for a cash consideration of Singapore dollar \$2,820,000. For further details, please refer to the announcement of the Company dated 11 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2015 (the “Year”), the Company continued to stay focus on the operation of Link Hotel in Singapore and devise the master plan of the development of Bintan Assets (as defined in the prospectus of the Company dated 30 June 2014 (the “Prospectus”). Moreover, the Company raised its capital by issuing new shares and convertible bonds to CMI Financial Holding Company Limited (“CMI Hong Kong”).

FINANCIAL HIGHLIGHTS

For the Year, the Group recorded a revenue of approximately HK\$42.0 million (2014: HK\$67.8 million), accounting for a decrease of 38.1% from the year ended 31 December 2014. The performance of the Group increased by 187.4% from a loss of HK\$1.5 million in 2014 to a profit of HK\$1.3 million in 2015. Loss for the year ended 31 December 2014 was largely due to the non-recurring listing expenses. For the Year, the Group has closed down two blocks of Link Hotel for renovation and thus the revenue and profit has been significantly affected by this non-recurring event, although the Group could still maintain a positive profit.

Loss attributable to owners of the Company was HK\$1,979,068 (2014: loss of HK\$2,203,704). Basic losses per share was HK\$0.07 cents (2014: losses per share of HK\$0.09 cents). The Board does not recommend the payment of any dividend for the Year (2014: Nil).

Following the listing of the shares of the Company on GEM, the Group has further raised new equity capital of HK\$250.2 million by issuing 690,000,000 new shares and convertible bonds in the principal amount of HK\$25,278,000 convertible into 76,600,000 new shares at the conversion price of HK\$0.33 per conversion share as disclosed in the announcement dated 30 November 2015. As at 31 December 2015, cash and cash equivalents was HK\$325,996,570 (2014: HK\$102,476,136).

BUSINESS REVIEW

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

Hotel operation

For the Year, room revenue amounted to HK\$30,542,602 (2014: HK\$54,656,272) accounting for 72.8% (2014: 80.6%) 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:

	2015	2014
Total available room nights	55,884	103,498
Occupancy rate	71.3%	57.5%
Average room rate (HK\$)	697.4	834.0
RevPAR (HK\$)	497.1	479.6

For the Year, F&B revenue was HK\$2,950,175 (2014: HK\$5,564,154), representing 7.0% (2014: 8.2%) of the total revenue. F&B revenue represents the sale of food and beverages in the restaurant, bar, room service and meeting space of Link Hotel.

The Group leased shop units located at Link Hotel and received rental income from hotel tenants. For the Year, rental income from hotel tenants was HK\$3,805,276 (2014: HK\$3,967,294) representing 9.1% (2014: 5.9%) of the total revenue.

Other income mainly comprises of interest income amounted to HK\$83,045 (2014: HK\$172,123) and Singapore government grants of HK\$242,046 (2014: HK\$303,422).

Bintan Assets

The Company has completed the acquisition of Bintan Assets in Indonesia during the year ended 31 December 2014 and classified the Bintan Assets as investment properties and rented it to a connected person since then. For the Year, rental income amounted to HK\$3,385,380 (2014: HK\$1,836,330) accounting for 8.1% (2014: 2.7%) of the Group's total revenue. The development plans of the Bintan Assets is still under discussion.

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 2015, the Group had net current assets of HK\$193,112,891 (2014: net current liabilities of HK\$60,252,101), including cash and cash equivalents of HK\$325,996,570 (2014: HK\$102,476,136) and interest-bearing bank borrowing of HK\$58,572,830 (2014: HK\$134,560,166).

The gearing ratio calculated based on our total debts (being interest-bearing bank borrowings, convertible bonds and payable incurred not in the ordinary course of business) divided by our total equity and multiplied by 100% as at 31 December 2015 was 48.5% (2014: 139.6%).

On 8 October 2015, the Company entered into a subscription agreement with CMI Hong Kong, an indirect wholly-owned subsidiary of China Minsheng Investment Corporation Limited* (中國民生投資股份有限公司) ("China Minsheng Investment"), in which CMI Hong Kong could subscribe for (i) 690,000,000 new shares at a price of HK\$0.33 per subscription share and (ii) the convertible bonds in the principal amount of HK\$25,278,000. The subscription was completed on 30 November 2015 and there was no conversion or redemption of the convertible bonds during the Year. As such, the outstanding principal amount of the convertible bonds remained approximately HK\$25,278,000 with the maturity date due on 30 November 2020.

Significant investments

The Group did not acquire or hold any significant investment during the Year (2014: Nil).

Material acquisitions and disposals

During the Year, the Group has entered into a land acquisition agreement (details as disclosed in the Company's announcement dated 30 December 2015) in relation to the further acquisition of lands located in Bintan Island, Indonesia.

Contingent liabilities

As at 31 December 2015, the Group did not have any material contingent liabilities (2014: Nil).

Employees and remuneration policies

As at 31 December 2015, the Group engaged a total of 56 employees (2014: a total of 60). Total staff costs excluding Directors' remuneration for the Year amounting to approximately HK\$15.1 million (2014: HK\$16.3 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 2015, no options had been granted under the share option scheme.

Events after the reporting period

Details of significant events that have taken place subsequent to the Year and up to the date of this announcement are disclosed in note 18 of this announcement.

Foreign currency exposure

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

Charges on group assets

As at 31 December 2015, certain properties of the Group located in Singapore with an aggregate net carrying amount of approximately HK\$185.5 million (2014: HK\$76.3 million) were used to secure the banking facilities.

Segment information

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

Dividends

The Directors do not recommend payment of any dividend in the respect of the Year (2014: Nil).

Use of proceeds in the Placing

Listed on GEM on 7 July 2014, the Group raised net proceeds of approximately HK\$97.1 million from the Placing (as defined in the Prospectus).

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

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

	Intended amount HK\$ (million)	Intended usage up to 31 December 2015 HK\$ (million)	Actual approximate amount utilised up to 31 December 2015 HK\$ (million)
Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation	22.8	22.8	22.8
Devising a master plan for the future development of the Bintan Assets and the construction of the beachfront resort according to the preliminary first phase of the master development plan	51.3	30.2	0.7
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	6.0	2.0	1.0
	<u>80.1</u>	<u>55.0</u>	<u>24.5</u>

The Directors plan to use the remaining net proceeds of approximately HK\$17.0 million for working capital and other general corporate purpose. As at 31 December 2015, approximately HK\$6.4 million have already been utilized for working capital and other general corporate purpose.

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

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

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

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

The renovation has been substantially completed during the Year. The total cost of the renovation amounted to HK\$50.8 million.

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

The master plan of the development of Bintan Assets is under discussion with professional parties. As disclosed in the announcement of the Company dated 30 June 2015, the preliminary first stage of the first phase of the Bintan Development Plan comprising the construction of a beachfront resort, has been devised. According to the revised working schedule of the first stage of the first phase of the Bintan Development Plan, the construction of a beachfront resort will commence in the first half of 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 our sales and marketing force

The sales and marketing team members has increased from an averagely four members to eight members during the Year. Besides this Link Hotel has also started to sell its room on the internet by joining some famous travel agencies' online platform. Traveller could easily spot out Link Hotel by typing keyword. It helps to promote the reputation and room sale for Link Hotel.

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

On 30 December 2015, PT Hang Huo International, (the "JV Company") (being the proposed purchaser), and Tjiagus Thamrin, Siti Maryam Mucti, Verdy Veriady Thamrin, Ira Karmila Tharmin, Yeo Bing Hong, Pretty Ariestawati, Novita, Tri Noviardi Thamrin and Agus Setiawan (being the proposed vendors) entered into an acquisition agreement, pursuant to which the JV Company conditionally agreed to purchase from the proposed vendors 10 parcels of land situated at Gunung Kijang Village, Gunung Kijang District in Bintan, Indonesia at the consideration of S\$2,000,000. The Group had paid the refundable earnest money in the sum of S\$2,000,000 (equivalent to approximately HK\$10,987,400 based on the exchange rate of S\$1.00 = HK5.4937), funded by the internal resources of the Group, to the independent representatives nominated by the proposed vendors in cash, pursuant to the non-legally binding memorandum of understanding entered into between Mr. Tjiagus Thamrin and the Group in January 2015 for the purpose of facilitating further negotiation for the acquisition. The acquisition was expected to be completed on 31 December 2016.

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

COMPLIANCE ADVISER

As updated and notified by the Company's compliance adviser, Guotai Junan Capital Limited ("Guotai Junan"), except for the professional fees for acting as the compliance adviser and the financial adviser pursuant to the separate agreements entered into between Guotai Junan and the Company, none of Guotai Junan, or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company as at 31 December 2015 pursuant to Rule 6A.32 of the GEM Listing Rules.

OUTLOOKS

In view of the uncertain economic prospects for 2016, the Group adopts an optimistic attitude to cope with challenges and capture opportunities in a positive way, and is confident in its future growth. In order to achieve steady development, the Group is always committed to quality improvement and efficiency enhancement. Specifically, it lays emphasis on the adjustment to shareholder structure, strengthening of marketing activities on e-commerce platform, and optimisation of operational efficiency of its hotels.

Looking forward to 2016, the Group will expedite the planning process of the master development plan of the Bintan Assets in Indonesia and carry out the construction of first stage of first phase of the Bintan Development Plan, in order to achieve rapid appreciation of Bintan Assets and the business development of a resort hotel. By taking our advantage as a professional hotel as well as integrating the hotel and tourism industry chain, the Group will further improve the overall return of its assets and its enterprise value, with an aim to be a leader of vacation and resort industry in Southeast Asia with international competitiveness.

OTHER INFORMATION

ANNUAL GENERAL MEETING (THE “AGM”)

The 2015 AGM of the Company will be held on Friday, 27 May 2016 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 Wednesday, 25 May 2016 to Friday 27 May 2016 (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 Tuesday, 24 May 2016.

AUDIT COMMITTEE

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

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

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 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. 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' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the Securities Futures Ordinance (Charter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, is as follows:

Long positions in shares of the Company

Name	Capacity	Total number of shares held	Percentage of shareholding
Mr. Ngan Iek	Interest in controlled corporation (<i>Note</i>)	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 (<i>Note</i>)	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 2015, 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 2015, 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 (<i>Note 1</i>)	54.44%
Ms. Cheng Wing Shan	Interest of spouse	1,900,000,000 (<i>Note 2</i>)	54.44%
CMI Hong Kong	Beneficial owner	690,000,000 (<i>Note 3</i>)	19.77%
Minsheng (Shanghai) Assets Management Company Limited ("Minsheng Shanghai")	Interest of controlled corporation	690,000,000 (<i>Note 3</i>)	19.77%
China Minsheng Investment	Interest of controlled corporation	690,000,000 (<i>Note 3</i>)	19.77%

Notes:

1. Vertic is a company beneficially owned as to 50% by Mr. Ngan Iek, 25% by Ms. Ngan Iek Chan and 25% by Ms. Ngan Iek Peng. Mr. Ngan Iek is the elder brother of Ms. Ngan Iek Chan and Ms. Ngan Iek Peng.
2. Ms. Cheng Wing Shan is the spouse of Mr. Ngan Iek. Ms. Cheng Wing Shan is deemed to be interested in all the Shares in which Mr. Ngan Iek is interested in under Part XV of the SFO.
3. Such Shares are held by CMI Hong Kong, which is wholly-owned by Minsheng Shanghai, which is in turned wholly-owned by China Minsheng Investment. Both Minsheng Shanghai and China Minsheng Investment are deemed to be interested in all the Shares held by CMI Hong Kong by virtue of the SFO.

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

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

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

Save as disclosed above, as at 31 December 2015, 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 2015, 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

For the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 31 March 2016

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

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

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

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