

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Link Holdings Limited

華星控股有限公司*

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 8237)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 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 in this announcement misleading.

* For identification purposes only

FIRST QUARTERLY RESULTS

The board (the “Board”) of Directors is pleased to announce the unaudited condensed consolidated first quarterly results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2015 (the “Review Period”) as follows:

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended 31 March 2015

		(Unaudited) For three months ended 31 March	
	Notes	2015 HK\$	2014 HK\$
Revenue	3	9,745,083	16,628,540
Cost of sales		<u>(3,059,615)</u>	<u>(5,684,365)</u>
Gross profit		6,685,468	10,944,175
Other income		290,291	320,798
Selling expenses		(459,826)	(671,243)
Administrative expenses		(7,733,458)	(5,568,979)
Finance costs		(1,476,407)	(1,718,773)
Fair value gain on derivative financial instruments		<u>215,920</u>	<u>680,902</u>
(Loss) profit before income tax expense	4	(2,478,012)	2,625,076
Income tax expense	5	<u>(68,653)</u>	<u>(721,015)</u>
(Loss) profit for the period		(2,546,665)	1,904,061
Other comprehensive (loss) income that may be classified subsequently to profit or loss:			
Exchange difference on translating foreign operations		<u>(2,899,896)</u>	<u>858,355</u>
Total comprehensive (loss) income for the period		<u><u>(5,446,561)</u></u>	<u><u>2,762,416</u></u>
(Loss) profit for the period attributable to:			
Owners of the Company		(2,717,454)	1,904,061
Non-controlling interests		<u>170,789</u>	<u>–</u>
		<u><u>(2,546,665)</u></u>	<u><u>1,904,061</u></u>
Total comprehensive (loss) income attributable to:			
Owners of the Company		(5,461,450)	2,762,416
Non-controlling interests		<u>14,889</u>	<u>–</u>
		<u><u>(5,446,561)</u></u>	<u><u>2,762,416</u></u>
Basic and diluted (loss) earning per share (HK cents)	7	<u><u>(0.10)</u></u>	<u><u>0.09</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 31 March 2015

	Attributable to equity holders of the Company						Non- controlling interest HK\$	Total equity HK\$
	Share capital HK\$	Share premium HK\$	Other reserve HK\$ (note)	Translation reserves HK\$	Retained earnings HK\$	Total HK\$		
Balance at 1 January 2014	15	–	–	700,862	113,719,068	114,419,945	4,707,164	119,127,009
Profit for the period	–	–	–	–	1,904,061	1,904,061	–	1,904,061
Other comprehensive income								
– Exchange differences arising on translation of foreign operation	–	–	–	858,355	–	858,355	–	858,355
Total comprehensive income for the period	–	–	–	858,355	1,904,061	2,762,416	–	2,762,416
Balance at 31 March 2014 (unaudited)	15	–	–	1,559,217	115,623,129	117,182,361	4,707,164	121,889,525
Balance at 1 January 2015	2,800,000	107,645,695	15	(14,110,972)	52,888,425	149,223,163	4,655,739	153,878,902
Loss for the period	–	–	–	–	(2,717,454)	(2,717,454)	170,789	(2,546,665)
Other comprehensive loss								
– Exchange differences arising on translation of foreign operation	–	–	–	(2,743,996)	–	(2,743,996)	(155,900)	(2,899,896)
Total comprehensive loss for the period	–	–	–	(2,743,996)	(2,717,454)	(5,461,450)	14,889	(5,446,561)
Balance at 31 March 2015 (unaudited)	2,800,000	107,645,695	15	(16,854,968)	50,170,971	143,761,713	4,670,628	148,432,341

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

NOTES TO THE FINANCIAL INFORMATION

1 CORPORATE INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 May 2012 under the Companies Law, Chapter 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 Company is an investment holding company and its subsidiaries are principally engaged in hotel ownership and operation of hotel services.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the GEM (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 20 June 2014. The shares of the Company were listed on the GEM on 7 July 2014. Details of the Reorganisation are set out in the section headed "History, Development and Corporate Structure" in the prospectus of the Company dated 30 June 2014 (the "Prospectus").

Since the companies now comprising the Group were under the common control of the controlling shareholder both before and after the Reorganisation, the financial information of the Group has been prepared using the principles of merger accounting.

The condensed consolidated statements of comprehensive income and condensed consolidated statements of changes in equity of the Group for the three months ended 31 March 2014 and 2015 have been prepared on a consolidated basis as if the current group structure had been in existence throughout the three months ended 31 March 2014 and 2015. The net assets and results of the Group are consolidated using the existing book values from the controlling shareholders' perspective.

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 ("IASB") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The financial information should be read in conjunction with the accountants' report included in the Prospectus for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards issued by the IASB.

The accounting policies applied are consistent with those of the annual report for the year ended 31 December 2014.

There are no other amended standards or interpretations that are effective for the first time for this period that could be expected to have a material impact on this Group.

3 REVENUE

An analysis of the Group's revenue representing the aggregate amount of income from hotel operations is as follows:

	(Unaudited)	
	For three months ended	
	31 March	
	2015	2014
	HK\$	HK\$
Hotel room	7,058,606	13,689,203
Food and beverage	744,985	1,528,563
Rental income from hotel properties	933,660	949,132
Rental income from investment properties	853,395	–
Others (<i>note 1</i>)	154,437	461,642
	9,745,083	16,628,540

Note 1: The amount mainly represents laundry and carpark services.

4 (LOSS) PROFIT BEFORE INCOME TAX EXPENSE

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

	(Unaudited)	
	For three months ended	
	31 March	
	2015	2014
	HK\$	HK\$
Staff costs		
– Wages and salaries	3,608,059	4,016,530
– Short-term non-monetary benefits	216,319	295,882
– Contributions to defined contribution plans	429,324	547,348
Depreciation of property, plant and equipment	934,769	1,004,263
Fair value gain on derivative financial instruments	215,920	680,902
Amortisation of prepaid lease payments	362,317	395,986
Listing expenses	–	555,054

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 periods. Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 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 income tax expense for the periods are as follows:

	(Unaudited)	
	For three months ended	
	31 March	
	2015	2014
	HK\$	HK\$
Current – Singapore Corporate Income Tax		
– Tax for the period	68,653	721,015

6 DIVIDEND

The Directors do not recommend payment of quarterly dividend for the three months ended 31 March 2015 (2014: Nil).

7 (LOSS) EARNING PER SHARE

The calculation of the basic (loss) earning per share attributable to equity holders of the Company for the three months ended 31 March 2014 and 2015 is based on the following data:

	(Unaudited) For three months ended 31 March	
	2015	2014
	HK\$	HK\$
(Loss) profit attributable to equity holders of the Company	<u>(2,717,454)</u>	<u>1,904,061</u>
	For three months ended 31 March	
	2015	2014
	Shares	Shares (restated)
Number of ordinary shares for the purpose of basic (loss) earning per share <i>(note (a))</i>	<u>2,800,000,000</u>	<u>2,100,000,000</u>

Note:

- (a) Ordinary shares are derived from 2,800,000,000 ordinary shares, being the number of shares in issue during the period (2014 (restated): 2,100,000,000 ordinary shares, being the number of shares in issue after the completion of capitalisation issue and immediately before the completion of share placing).

The diluted (loss) earning per share for respective periods are the same as the basic (loss) earning per share as there are no dilutive potential shares.

8 APPROVAL OF FINANCIAL INFORMATION

These financial information was approved and authorised for issue by the Board on 13 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Review Period, the Group continued to stay focus on the operation of Link Hotel in Singapore. The renovation of Link Hotel is in progress and is expected to be completed in the second half of 2015. The Group has completed the acquisition of Bintan Assets (as defined in the Prospectus) located in Indonesia and is devising a master plan of the development of Bintan Assets.

FINANCIAL HIGHLIGHTS

For the Review Period, the Group recorded a revenue of HK\$9,745,083 (three months ended 31 March 2014: HK\$16,628,540), accounting for a decrease of approximately 41%. The net profit dropped from HK\$1,904,061 of the corresponding period in 2014 to net loss of HK\$2,546,665. The decrease in revenue and results is primarily attributable to (i) the drop in average room rate at Link Hotel; (ii) a non-recurring event, whereby one out of two blocks of hotel buildings was closed for renovation, reducing the total available room nights and room nights sold, which led to a substantial decrease in the gross profit of the Group.

Loss attributable to shareholders was HK\$2,717,454 (three months ended 31 March 2014: profit of HK\$1,904,061). Basic loss per share was HK0.10 cents (three months ended 31 March 2014: basic earning of HK0.09 cents). The Board does not recommend the payment of any quarterly dividend for the Review Period (three months ended 31 March 2014: Nil).

BUSINESS REVIEW

The Group commenced operations of its hotel business in Singapore with the opening of Link Hotel in 2007. There is no material change in business during the Review Period. The operation of Link Hotel has been and is expected to continue to be its principal business together with the development of Bintan Assets.

Hotel operation

For the Review Period, room revenue amounted to HK\$7,058,606 (three months ended 31 March 2014: HK\$13,689,203) accounting for approximately 72% (three months ended 31 March 2014: approximately 82%) 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 Review Period:

	Three months ended 31 March	
	2015	2014
Total available room nights	12,642	25,920
Occupancy rate	69%	57%
Average room rate (HK\$)	734	797
RevPAR (HK\$)	501	455

For the Review Period, food and beverage revenue was HK\$744,985 (three months ended 31 March 2014: HK\$1,528,563), representing approximately 8% (three months ended 31 March 2014: approximately 9%) of the total revenue. Food and beverage 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 Review Period, rental income from hotel tenants was HK\$933,660 (three months ended 31 March 2014: HK\$949,132) representing approximately 10% (three months ended 31 March 2014: approximately 6%) of the total revenue.

Subsequent event

On 20 April 2015, the Company entered into the non-legal binding memorandum of understanding with the vendor, Bi Jingjun, in relation to the possible acquisition by the Company or its nominees which will hold major interest in the tourism project which comprises (i) the operation and management contract in respect of the Guangxi Detian Waterfall project, a national 4A level scene zone, and (ii) the substantial ownership in respect of Ming Shi Countryside, a scene zone including some locally owned accommodations for leasing purpose and a hotel premises which solely serve the tourists to the scene zone. The tourism project is located in Daxin County, Guangxi Zhuang Autonomous Region, the PRC, at the SinoVietnamese border.

Outlook

Growth of visitor arrivals in Singapore has been primarily led by emerging Asian economies. As these markets are predominantly value-oriented visitors, Link Hotel is likely to attract such demand. The Group will complete renovation and decoration works for the first phase of the Link Hotel in Singapore by end of June this year, and will strive to complete renovation and decoration works for the second phase by end of this year. After the overhaul, the Board anticipates to receive higher room rates and being able to attract more guests from around the world, and our room revenue will increase.

By leveraging on ASEAN economies and the “One Belt, One Road”, the Group focused on the hotel, vacation and resort industries in Southeast Asia. During this year, the Group may acquire interests in Guangxi Detian Waterfall and Ming Shi Countryside, which will aid the Group’s business expansion into tourism and hotel industries in China. At the same time, the Group grasped opportunities to undergo international mergers by developing our projects in Indonesia, thus capitalising on the rapidly growing overseas travel market in Southeast Asia. The overseas business platform is utilised to realise the advantages of overseas channels and resources, allowing more diversified and stable business growth of the Group.

AUDIT COMMITTEE

The Group has an audit committee (“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 reviewed the accounting principles and policies adopted by the Group and the unaudited financial results for the Review Period.

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 Review Period and up to and including the date of this announcement.

COMPLIANCE ADVISER

As updated and notified by the Company's compliance adviser, Guotai Junan Capital Limited ("Guotai Junan"), none of Guotai Junan, or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company as at 31 March 2015 pursuant to Rule 6A.32 of the GEM Listing Rules.

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

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

As at 31 March 2015, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify the Company and the Stock Exchange pursuant to Rules 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, will be as follows:

Long positions in shares of the Company

Name	Capacity	Number of shares	Position	Percentage of shareholding
Mr. Ngan Iek	Interest in controlled corporation	2,100,000,000 (Note)	Long	75%

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.

Save as disclosed above, as at 31 March 2015, none of the Directors who had an interest and short position in shares, underlying shares or debenture of the Company and its associated corporation (with the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) was required (a) to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under section 352 of the SFO; or (c) to notify the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors referred to in Rule 5.46 of the GEM Listing Rules.

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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31 March 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:

Name	Capacity	Number of shares	Percentage of shareholding
Vertic (<i>Note 1</i>)	Beneficial Owner	2,100,000,000	75%
Ms. Cheng Wing Shan (<i>Note 2</i>)	Interest of spouse	2,100,000,000	75%

Notes:

1. Vertic is beneficially owned as to 50% by Mr. Ngan Iek, 25% by Ms. Ngan Iek Chan and 25% by 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.

Save as disclosed above, as at 31 March 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.

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

As at 31 March 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.

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

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 13 May 2015

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

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

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