



Link Holdings Limited

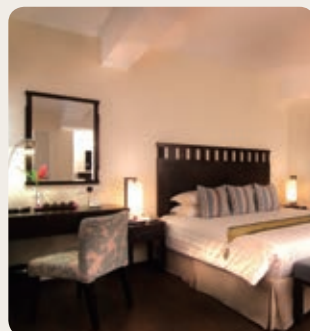
華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8237

2015

Interim Report



* For identification purposes only



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 report, for which the directors (the “Directors”) of Link Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report 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 report misleading.



CONTENTS

2-3	Corporate Information
4-17	Management Discussion and Analysis
18-19	Report on Review of Interim Financial Information
20-21	Condensed Consolidated Statements of Comprehensive Income
22-23	Condensed Consolidated Statements of Financial Position
24-25	Condensed Consolidated Statements of Changes in Equity
26	Condensed Consolidated Statements of Cash Flows
27-52	Notes to the Unaudited Interim Financial Information



CORPORATE INFORMATION

Directors

Executive Directors

Datuk Siew Pek Tho
Mr. Chen Changzheng
Mr. Wong Ip

Non-executive Directors

Mr. Ngan Iek (*Chairman*)
Ms. Ngan Iek Peng

Independent non-executive Directors

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

Company Secretary

Mr. Chow Kit Ting

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

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands



Headquarters and Principal Place of Business in Hong Kong

Unit No.3503
35/F of West Tower
Shun Tak Centre
Nos.168-200 Connaught Road Central
Sheung Wan
Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Hong Kong Share Registrar

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Banker

DBS Bank Limited
12 Marina Boulevard
43-03 DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore
018982

Compliance Adviser

Guotai Junan Capital Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Auditor

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

Stock Code

8237

Company's Website

www.linkholdingslimited.com



MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015 (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) located in Indonesia.

Financial highlights

For the Review Period, the Company and its subsidiary (the “Group”) recorded a revenue of HK\$19,424,936 (2014: HK\$34,223,599), accounting for a decrease of approximately 43%. The net profit decreased from HK\$3,169,709 of the corresponding period last year to HK\$507,434. The decrease in net profit is primarily attributable to a non-recurring event of the closure of one out of two blocks of hotel building for renovation which decreased the total available room nights and room nights sold leading to a substantial decrease in the gross profit of the Group.

In addition, the Group recorded a total comprehensive income of HK\$61,391,039 (2014: HK\$4,087,607) for the Review Period, accounting for an increase of approximately 1,402%. Such increase was mainly due to the change of accounting policy of property, plant and equipment which led to a substantial gain on revaluation of our hotel buildings in Singapore. The Directors reassessed the appropriateness of this accounting policy during the period and concluded that by using the revaluation model under International Accounting Standard 16, the interim financial information would provide more appropriate and relevant information about the Group’s results and financial position due to hotel renovation.

Loss attributable to shareholders was HK\$2,053,588 (2014: profit of HK\$3,169,709). Basic loss per share was HK\$0.07 cents (2014: earning per share of HK\$0.15 cents). The Board does not recommend the payment of any dividend for the Review Period (2014: Nil).

Following the Group's financing, the Group now has a much stronger position from which to maintain its current business and to develop its roadmap. Listed on GEM on 7 July 2014, the Group raised net proceeds from the Placing (as defined in the prospectus of the Company dated 30 June 2014) of approximately HK\$97.1 million. As at 30 June 2015, bank balances and cash was HK\$77,495,804 (31 December 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. There is no material change in the Group's business during the Review Period. The operation of Link Hotel has been and is expected to continue to be its principal business.

Hotel operation

For the Review Period, room revenue amounted to HK\$13,673,655 (2014: HK\$28,245,653) accounting for approximately 70.4% (2014: approximately 82.5%) 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 indicated:

	Six months ended 30 June	
	2015	2014
Total available room nights	26,266	52,128
Occupancy rate	64.9%	58.7%
Average room rate (HK\$)	728.5	853.6
RevPAR (HK\$)	470.4	501.2



For the Review Period, F&B revenue was HK\$1,467,775 (2014: HK\$3,075,797), representing approximately 7.6% (2014: approximately 9.0%) 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 Review Period, rental income from hotel tenants was HK\$1,803,979 (2014: HK\$1,984,631) representing approximately 9.3% (2014: approximately 5.8%) of the total revenue.

In addition, the Group leased the investment properties in Indonesia and received rental income from non-controlling interest. For the review period, rental income was HK\$1,720,950 (2014: nil) representing approximately 8.9% (2014: nil) of the total revenue.

Liquidity, financial resources and capital structure

During the Review Period, the Group mainly financed its operations with its own working capital, bank borrowings and advance from a Director. As at 30 June 2015, the Group had net current liabilities of HK\$13,640,463 (31 December 2014: net current liabilities of HK\$60,252,101), including bank balances and cash of HK\$77,495,804 (31 December 2014: HK\$102,476,136) and current portion of interest-bearing bank borrowings denominated in Singapore dollar of HK\$66,907,199 (31 December 2014: HK\$134,560,166).

The gearing ratio calculated based on our total debts (being interest-bearing bank borrowings and payable incurred not in the ordinary course of business) divided by our total equity and multiplied by 100% as at 30 June 2015 was approximately 98.2% (31 December 2014: approximately 139.6%).



The Directors are confident that the Group will be able to meet its financial obligations as they fall due for twelve months from 30 June 2015, on the basis that (a) the Group has available facilities up to approximately HK\$64.5 million; and (b) the Group's operation can generate sufficient cash flows for twelve months from 30 June 2015. The Directors do not consider it probable that the bank will exercise its discretion to demand repayment of the loans within the next twelve months from 30 June 2015 as the Group continues to fulfil the covenants relating to drawn down facilities.

Significant investments

The Group does not have any significant investments.

Material acquisitions and disposals


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

Contingent liabilities

As at 30 June 2015, the Group did not have any material contingent liabilities.

Employees and remuneration policies

As at 30 June 2015, the Group engaged a total of 65 employees (2014: a total of 73). Total staff costs including Directors' remuneration for the Review Period amounting to approximately HK\$9.4 million (2014: approximately HK\$9.5 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.

Share option scheme

During the Review Period, no option has been granted and there has been no movement of any option granted (if any) under the share option scheme adopted by the Company on 20 June 2014.

Foreign currency exposure

Substantially all the transactions of the Group's subsidiaries in Singapore are carried out in Singapore dollar, which is the functional currency of the Group. Therefore, the risk on foreign currency risk of Singapore dollar is minimal. However, the functional currency of the Group's subsidiaries in Indonesia and Singapore are carried in Singapore dollar, so the translation of functional currency of subsidiaries in Singapore and Indonesia to presentation currency in Hong Kong dollar might be exposed to foreign currency risk.

Charges on group assets

As at 30 June 2015, certain properties of the Group amounting to approximately HK\$144.5 million (31 December 2014: approximately HK\$86.3 million) were used to secure the banking facilities.



Segment information

During the Review Period, the Group has two reportable segments on the basis of the geographical locations at Singapore and Indonesia.

Future prospects

The Group will keep optimistic to the tourism of Singapore as driving by factors such as relaxed visa rules and extended tourist propaganda in Southeast Asian countries. Meanwhile, the Group improved its competitiveness and effectiveness by continuous intensified tourism marketing activities. It is expected that renovation and decoration works for Link Hotel will be fully completed by the end of 2015. The Board anticipates that the overhaul will realise higher room rates and attract more guests around the world, which would lead to the increase in the revenue of rooms.

The Group will accelerate the development of the core business of hotel, boost the course of internationalisation, speed up the improvement of the management level and core competitiveness of the Group and further promote the regional layout of the Group, thus will improve our international operating capability. Looking forward to the second half of 2015, the Group will expedite the overall planning process of the master development plan of the Bintan Assets in Indonesia and carry out the construction of phase I, in order to achieve rapid appreciation of Bintan Assets and the business development of a resort hotel. As disclosed in the announcement of the Company dated 21 April 2015, the Group will take the opportunity of “One Belt and One Road” and speed up the process of the acquisition of interests in Guangxi Detian Waterfall Project and Ming Shi Countryside. By taking our advantages as a professional hotel as well as integrating the hotel and tourism industry chain, the Group will further improve the overall return and enterprise value of assets of the Group, with an aim to be a leader of vacation and resort industries in Southeast Asia with international competitiveness.

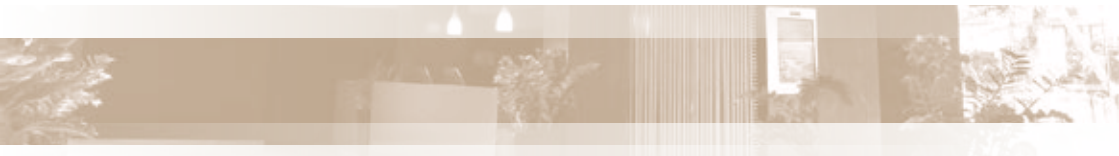
Use of proceeds in the Placing

Listed on GEM on 7 July 2014, the Group raised net proceeds of approximately HK\$97.1 million from the Placing.

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 prospectus of the Company dated 30 June 2014) 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 <i>HK\$</i> <i>(million)</i>	Intended usage up to 30 June 2015 <i>HK\$</i> <i>(million)</i>	Actual approximate amount utilised up to 30 June 2015 <i>HK\$</i> <i>(million)</i>
Enhancing the performance and upgrading the quality of Link Hotel by undergoing overall renovation	22.8	22.8	22.8
Devising a master development 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	0.2	0.2



	Intended amount <i>HK\$</i> <i>(million)</i>	Intended usage up to 30 June 2015 <i>HK\$</i> <i>(million)</i>	Actual approximate amount utilised up to 30 June 2015 <i>HK\$</i> <i>(million)</i>
Identifying and pursuing business diversification opportunities in hotel management and franchising business in Southeast Asian countries	6.0	0.0	0.0
	<u>80.1</u>	<u>23.0</u>	<u>23.0</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 30 June 2015, approximately HK\$5.7 million have already been utilised for working capital and other general corporate purpose.

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

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

Corporate governance

The Group had complied with the provisions in Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules throughout the Review Period.



Code of conduct regarding for securities transactions by directors

The Group had adopted Rules 5.48 to Rules 5.67 of the GEM Listing Rules as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings. Having made specific enquiry to all the Directors, all the Directors confirmed that they had throughout the Review Period complied with the required standard of dealings and the Company's code of conduct regarding securities transactions by the Directors.

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 listed securities of the Company 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.

Audit committee

The Group has an 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 interim 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 interim report.

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 30 June 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 30 June 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 Securities and Futures Ordinance (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

<u>Name</u>	<u>Capacity</u>	<u>Number of shares</u>	<u>Position</u>	<u>Percentage of shareholding</u>
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.

Long positions in Vertic, an associated corporation of the Company

Name of Directors	Nature of interest	Number of shares held in the associated corporation	Position	Approximate percentage of shareholding in the associated corporation
Mr. Ngan Iek	Beneficial owner	500	Long	50%
Ms. Ngan Iek Peng	Beneficial owner	250	Long	25%
Datuk Siew Pek Tho	Interest of spouse (Note)	250	Long	25%

Note: Datuk Siew Pek Tho is the spouse of Ms. Ngan Iek Chan who is the beneficial owner of 25% shareholdings in Vertic. Datuk Siew Pek Tho is deemed to be interested in the 25% shareholdings in Vertic held by Ms. Ngan Iek Chan under Part XV of the SFO.

Save as disclosed above, as at 30 June 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 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.

Substantial shareholders' interests and short positions


As at 30 June 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	Position	Percentage of shareholding
Vertic (Note 1)	Beneficial Owner	2,100,000,000	Long	75%
Ms. Cheng Wing Shan (Note 2)	Interest of spouse	2,100,000,000	Long	75%

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.

Save as disclosed above, as at 30 June 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

Save as disclosed above, as at 30 June 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.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this interim report.

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

Hong Kong, 14 August 2015



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Link Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 52 which comprise the condensed consolidated statements of financial position of Link Holdings Limited as of 30 June 2015 and the related condensed consolidated statements of comprehensive income for the three months and six months period ended 30 June 2015, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The GEM Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Federation of Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

BDO Limited

Certified Public Accountants

Lee Ka Leung, Daniel

Practising Certificate Number P01220

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

Hong Kong, 14 August 2015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2015

	Notes	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Revenue	4	19,424,936	34,223,599	9,679,853	17,595,059
Cost of sales		(8,516,586)	(11,657,959)	(5,456,971)	(5,973,594)
Gross profit		10,908,350	22,565,640	4,222,882	11,621,465
Other income		366,786	341,687	76,495	20,889
Selling expenses		(1,148,798)	(1,428,383)	(688,972)	(757,140)
Administrative expenses		(18,037,733)	(13,442,183)	(10,304,275)	(7,873,204)
Finance costs	5	(2,667,059)	(3,008,388)	(1,190,652)	(1,289,615)
Gain on change in fair value of investment properties		12,510,649	-	12,510,649	-
Fair value gain/(loss) on derivative financial instruments		68,442	(478,357)	(147,478)	202,545
Profit before income tax expense	6	2,000,637	4,550,016	4,478,649	1,924,940
Income tax expense	7	(1,493,203)	(1,380,307)	(1,424,550)	(659,292)
Profit for the period		507,434	3,169,709	3,054,099	1,265,648
Other comprehensive income that will not be reclassified to profit or loss:					
Gain on revaluation of properties		75,975,416	-	75,975,416	-
Tax expense related to gain on revaluation of properties		(12,915,821)	-	(12,915,821)	-
Exchange differences related to revaluation of properties		180,281	-	180,281	-

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (cont'd)

For the three months and six months ended 30 June 2015

	Notes	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(2,356,271)	917,898	543,625	59,543
Other comprehensive income for the period, net of tax		60,883,605	917,898	63,783,501	59,543
Total comprehensive income for the period		61,391,039	4,087,607	66,837,600	1,325,191
(Loss)/profit for the period attributable to:					
Owners of the Company		(2,053,588)	3,169,709	663,866	1,265,648
Non-controlling interests		2,561,022	–	2,390,233	–
		507,434	3,169,709	3,054,099	1,265,648
Total comprehensive income attributable to:					
Owners of the Company		58,371,741	4,087,607	63,833,191	1,325,191
Non-controlling interests		3,019,298	–	3,004,409	–
		61,391,039	4,087,607	66,837,600	1,325,191
Basic and diluted (losses)/earnings per share (HK cents)	9	(0.07)	0.15	0.02	0.06

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015

		(Unaudited) 30 June 2015 HK\$	(Audited) 31 December 2014 HK\$
	Notes		
Non-current assets			
Property, plant and equipment	10	164,061,778	79,171,863
Investment properties	10	147,157,297	137,012,996
Prepaid lease payments		76,746,350	78,874,387
Total non-current assets		<u>387,965,425</u>	295,059,246
Current assets			
Hotel inventories		236,496	164,190
Trade and other receivables	11	30,373,366	8,728,444
Amount due from a director		–	776,037
Bank balances and cash		77,495,804	102,476,136
Total current assets		<u>108,105,666</u>	112,144,807
Current liabilities			
Trade and other payables	12	10,306,653	7,996,217
Amount due to a non-controlling interest	13	–	23,012,351
Amount due to a director	13	41,608,897	–
Interest-bearing bank borrowings	14	66,907,199	134,560,166
Provision for taxation		1,663,299	4,533,878
Derivative financial instruments	15	1,260,081	2,294,296
Total current liabilities		<u>121,746,129</u>	172,396,908
Net current liabilities		<u>(13,640,463)</u>	(60,252,101)
Total assets less current liabilities		<u>374,324,962</u>	234,807,145

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 30 June 2015

		(Unaudited) 30 June 2015 HK\$	(Audited) 31 December 2014 HK\$
	<i>Notes</i>		
Non-current liabilities			
Interest-bearing bank borrowings	14	144,419,888	80,199,009
Deferred tax liabilities		14,635,133	435,379
Derivative financial instruments	15	–	293,855
Total non-current liabilities		<u>159,055,021</u>	<u>80,928,243</u>
Net assets		<u>215,269,941</u>	<u>153,878,902</u>
Equity			
Share capital	16	2,800,000	2,800,000
Reserves		<u>204,794,904</u>	<u>146,423,163</u>
Non-controlling interests		<u>207,594,904</u>	<u>149,223,163</u>
		<u>7,675,037</u>	<u>4,655,739</u>
Total equity		<u>215,269,941</u>	<u>153,878,902</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to equity holders of the Company									
	Share capital	Share premium	Hotel properties		Translation reserve	Retained earnings	Total	Non-controlling interest		Total equity
			revaluation reserve	Other reserves				interest		
			HK\$	HK\$				HK\$	HK\$	
			(note 2)	(note 1)						
Balance at 1 January 2014	15	-	-	-	700,862	113,719,068	114,419,945	4,707,164	119,127,109	
Profit for the period	-	-	-	-	-	3,169,709	3,169,709	-	3,169,709	
Other comprehensive income										
– Exchange differences arising on translation of foreign operation	-	-	-	-	917,898	-	917,898	-	917,898	
Total comprehensive income for the period	-	-	-	-	917,898	3,169,709	4,087,607	-	4,087,607	
Elimination of share capital upon reorganisation	(15)	-	-	15	-	-	-	-	-	
Share issued	1	-	-	-	-	-	1	-	1	
Dividend declared and paid	-	-	-	-	-	(58,626,939)	(58,626,939)	-	(58,626,939)	
Balance at 30 June 2014 (unaudited)	1	-	-	15	1,618,760	58,261,838	59,880,614	4,707,164	64,587,778	

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the six months ended 30 June 2015

	Attributable to equity holders of the Company								Total equity
	Share capital	Share premium	Hotel properties		Translation reserve	Retained earnings	Non-controlling interest	Total	
			revaluation reserve	Other reserves					
			HK\$ (note 2)	HK\$ (note 1)					
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)/profit for the period	-	-	-	-	-	(2,053,588)	(2,053,588)	2,561,022	507,434
Other comprehensive income									
- Gain on revaluation of properties	-	-	75,975,416	-	-	-	75,975,416	-	75,975,416
- Tax expense related to gain on revaluation of properties	-	-	(12,915,821)	-	-	-	(12,915,821)	-	(12,915,821)
- Exchange differences related to revaluation of properties	-	-	180,281	-	-	-	180,281	-	180,281
- Exchange differences arising on translation of foreign operation	-	-	-	-	(2,814,547)	-	(2,814,547)	458,276	(2,356,271)
Total comprehensive income for the period	-	-	63,239,876	-	(2,814,547)	(2,053,588)	58,371,741	3,019,298	61,391,039
Balance at 30 June 2015 (unaudited)	2,800,000	107,645,695	63,239,876	15	(16,925,519)	50,834,837	207,594,904	7,675,037	215,269,941

Note:

- Other reserves 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.
- Hotel properties revaluation reserve represents the gains/(losses) arising on the revaluation of the Group's buildings (other than investment property). The balance on this reserve is wholly undistributable.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2015

	(Unaudited)	
	For six months ended	
	30 June	
	2015	2014
	HK\$	HK\$
Net cash (used in)/from operating activities	(280,915)	3,023,696
Net cash used in investing activities	(39,254,489)	(36,269,149)
Net cash from/(used in) financing activities	6,484,951	(12,707,345)
Net decrease in cash and cash equivalents	(33,050,453)	(45,952,798)
Cash and cash equivalents at beginning of period	102,476,136	56,390,284
Effect of exchange rate changes on cash and cash equivalents	(1,707,491)	441,600
Cash and cash equivalents at end of period	67,718,192	10,879,086
Analysis of the balance of cash and cash equivalents:		
Bank balances and cash	77,495,804	12,523,060
Bank overdraft	(9,777,612)	(1,643,974)
	67,718,192	10,879,086



NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 CORPORATE INFORMATION AND BASIS OF PREPARATION AND GOING CONCERN

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 and properties rental.

The interim financial information have been prepared in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board ("IASB") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

At the end of reporting period, its current liabilities exceeded its current assets by HK\$13,640,463. The condensed consolidated financial statements have been prepared on a going concern basis as the directors are confident that the Group will be able to meet its financial obligations as they fall due for twelve months from 30 June 2015, on the basis that (a) the Group has available facilities up to approximately HK\$64.5 million; and (b) the Group's operations can generate sufficient cash flows for twelve months from 30 June 2015. The directors do not consider it probable that the bank will exercise its discretion to demand repayment of the loans within the next twelve months from 30 June 2015 as the Group continues to fulfil the covenants relating to drawn down facilities. Accordingly, the directors are of the opinion that, in the absence of unforeseen circumstances, the Group will have sufficient financial resources to finance its working capital requirements for the next twelve months from the reporting date and it is appropriate to prepare the condensed consolidated financial statements for the period ended 30 June 2015 on a going concern basis notwithstanding the net current liabilities position of the Group.



1 CORPORATE INFORMATION AND BASIS OF PREPARATION AND GOING CONCERN (cont'd)

The condensed consolidated financial statements did not include any adjustments that may result in the event that the Group is unable to continue as a going concern. In the event that the Group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the condensed consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2 PRINCIPAL ACCOUNTING POLICIES AND CHANGE IN ACCOUNTING POLICY

The interim financial information have been prepared on the historical cost basis except for hotel properties, investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the preparation of these accounts are consistent with those used in the annual accounts for the year ended 31 December 2014, except as described below:

In accordance with International Accounting Standard (“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 Group accounted for its buildings using the cost model in previous years.

2 PRINCIPAL ACCOUNTING POLICIES AND CHANGE IN ACCOUNTING POLICY (cont'd)

The directors reassessed the appropriateness of this accounting policy during the period and concluded that by using the revaluation model under IAS 16, the interim financial information 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 effective from 30 June 2015.

The change in accounting policy of buildings from the cost model to the revaluation model is accounted for prospectively.

The Group has not early applied the following new and revised International Financial Reporting Standards ("IFRS") that have been issued but are not yet effective:

Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 27	Equity Method in Separate Financial Statements ¹
IFRS 9 (2014)	Financial Instruments ³
IFRS 15	Revenue from Contracts with Customers ²

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

2 Effective for annual periods beginning on or after 1 January 2017

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



3 OPERATING SEGMENT INFORMATION

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

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

3 OPERATING SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

Segment revenue and results

	Singapore <i>HK\$</i>	Indonesia <i>HK\$</i>	Total <i>HK\$</i>
For the six months ended 30 June 2015 (Unaudited)			
External Revenue	<u>17,703,986</u>	<u>1,720,950</u>	<u>19,424,936</u>
Segment (loss)/profit	<u>(9,185,830)</u>	<u>14,228,268</u>	<u>5,042,438</u>
Central administrative cost <i>(note)</i>			<u>(3,110,243)</u>
Fair value gain on derivative financial instruments			<u>68,442</u>
Profit before income tax expense			<u>2,000,637</u>

Note: Central administrative cost mainly represents legal and professional expenses, director's remuneration and head office rental expenses.

3 OPERATING SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

Segment revenue and results (cont'd)

	Singapore HK\$	Indonesia HK\$	Total HK\$
For the six months ended 30 June 2014 (Unaudited)			
External Revenue	<u>34,223,599</u>	–	<u>34,223,599</u>
Segment profit	<u>9,107,498</u>	–	<u>9,107,498</u>
Central administrative cost (note)			(4,079,125)
Fair value loss on derivative financial instruments			<u>(478,357)</u>
Profit before income tax expense			<u>4,550,016</u>

Note: Central administrative cost mainly represents listing expenses.

3 OPERATING SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

Segment revenue and results (cont'd)

Segment profit represents the profit earned by each segment without allocation of corporate income, which includes other income, fair value gain/(loss) 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

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Singapore	259,013,029	165,161,411
Indonesia	150,609,034	138,769,669
Total segment assets	409,622,063	303,931,080
Unallocated (<i>note</i>)	86,449,028	103,272,973
Consolidated assets	496,071,091	407,204,053

Note: Unallocated assets represent prepayment and bank balances and cash.

3 OPERATING SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

Segment liabilities

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Singapore	235,712,392	226,810,995
Indonesia	1,811,745	23,403,725
Total segment liabilities	237,524,137	250,214,720
Unallocated (<i>note 1</i>)	43,277,013	3,110,431
Consolidated liabilities	280,801,150	253,325,151

Note 1: Unallocated liabilities represent derivative financial instruments, amount due to a director and head office and corporate liabilities.

Note 2: Provision for taxation and deferred tax liabilities as at 31 December 2014 is reclassified from unallocated liabilities to relevant locations to be consistent with current period's presentation.

3 OPERATING SEGMENT INFORMATION (cont'd)

(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.

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Singapore	240,772,404	158,025,450
Indonesia	147,157,297	137,012,996
Hong Kong	35,724	20,800
	387,965,425	295,059,246

(c) Information about major customers

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

4 REVENUE

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

	(Unaudited)		(Unaudited)	
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
Hotel room	13,673,655	28,245,653	6,615,049	14,556,450
Food and beverage	1,467,775	3,075,797	722,790	1,547,234
Rental income from hotel properties	1,803,979	1,984,631	870,319	1,035,499
Rental income from investment properties	1,720,950	–	867,555	–
Others (note 1)	758,577	917,518	604,140	455,876
	19,424,936	34,223,599	9,679,853	17,595,059

Note 1: The amount mainly represents laundry and car park services.

5 FINANCE COSTS

	(Unaudited)		(Unaudited)	
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Interest on bank borrowings				
– Wholly repayable within five years	386,870	678,739	269,275	320,944
– Not wholly repayable within five years	2,280,189	2,329,649	921,377	968,671
	2,667,059	3,008,388	1,190,652	1,289,615

6 PROFIT BEFORE INCOME TAX EXPENSE

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

	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
Staff costs				
– Wages and salaries	7,979,816	7,736,570	4,371,757	3,720,040
– Short-term non-monetary benefits	528,903	583,739	312,584	287,857
– Contributions to defined contribution plans	938,713	1,193,774	509,389	646,426
Depreciation of property, plant and equipment	8,449,078	2,008,527	7,514,309	1,004,264
Fair value loss/(gain) on derivative financial instruments	(68,442)	478,357	147,478	(202,545)
Amortisation of prepaid lease payments	730,647	796,738	368,330	400,752
Listing expenses	–	3,643,778	–	3,088,724

7 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 profits arising in Singapore at the rate of 17% (six months ended 30 June 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 subsidiary in Indonesia is subject to final income tax at a rate of 10% (six months ended 30 June 2014: 10%) on its gross rental income as determined in accordance with the relevant Indonesia income tax rules and regulations.

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

	(Unaudited)		(Unaudited)	
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Current tax for the period				
– Singapore Corporate				
Income Tax	70,043	1,380,307	1,390	659,292
– Indonesia Corporate				
Income Tax	172,095	–	172,095	–
Deferred tax for the period	1,251,065	–	1,251,065	–
	1,493,203	1,380,307	1,424,550	659,292

8 DIVIDEND

The Directors do not recommend payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9 (LOSSES)/EARNINGS PER SHARE

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

	(Unaudited)		(Unaudited)	
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
(Loss)/profit attributable to equity holders of the Company	(2,053,588)	3,169,709	663,866	1,265,648
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	Shares	Shares	Shares	Shares
	(represented)		(represented)	
Number of shares	2,800,000,000	2,100,000,000	2,800,000,000	2,100,000,000



9 (LOSSES)/EARNINGS PER SHARE (cont'd)

Ordinary shares are derived from 2,800,000,000 ordinary shares, being the number of shares in issue during the periods (three months and six months ended 30 June 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).

For the purpose of calculation of basic (losses)/earnings per share for the three months and six months ended 30 June 2014, the share subdivision (each existing share of the Company was subdivided into ten subdivided shares) being effective on 16 October 2014 was deemed to be effective throughout the period from 1 January 2014 to 30 June 2014.

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



10 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 June 2015, the Group acquired property, plant and equipment amounting to approximately HK\$18,015,080 (six months ended 30 June 2014: approximately HK\$237,000), of which amount HK\$17,738,256 represented the construction in progress of the renovation of the hotel's buildings.

The hotel buildings of the Group located in Singapore were revalued as at 30 June 2015. As disclosed in note 2 of this Interim Report, the Group changed its accounting policy by recognising hotel properties 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 six months ended 30 June 2015, a net gain of HK\$75,975,416 (six months ended 30 June 2014: Nil) and deferred tax thereon of HK\$12,915,821 (six months ended 30 June 2014: Nil) have been recognised in other comprehensive income of condensed consolidated statements of comprehensive income in respect of property, plant and equipment.

The investment properties of the Group located in Bintan were revalued as at 30 June 2015 and 31 December 2014. The valuations were carried out by Avista (31 December 2014: Colliers International (Hong Kong) Limited).

During the six months ended 30 June 2015, a net gain of HK\$12,510,649 (six months ended 30 June 2014: Nil) and deferred tax thereon of HK\$1,251,065 (six months ended 30 June 2014: Nil) have been recognised in condensed consolidated income statement in respect of investment properties.

No addition (six months ended 30 June 2014: Nil) of investment properties was made during the current interim period.

11 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Trade receivables	7,907,133	7,543,741
Prepayments	8,953,224	318,435
Deposits	12,417,570	644,504
Other receivables	1,095,439	221,764
	30,373,366	8,728,444

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.

11 TRADE AND OTHER RECEIVABLES (cont'd)

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

	(Unaudited) 30 June 2015 HK\$	(Audited) 31 December 2014 HK\$
Current to 30 days	2,580,381	4,074,354
31 to 60 days	1,524,345	1,441,247
61 to 90 days	1,225,268	674,720
Over 90 days	2,577,139	1,353,420
	7,907,133	7,543,741
Less: Allowance for impairment loss	-	-
	7,907,133	7,543,741

The aged analysis of trade receivables that are net of impairment loss, at the end of respective reporting periods, is as follows:

	(Unaudited) 30 June 2015 HK\$	(Audited) 31 December 2014 HK\$
Neither past due nor impaired	2,580,381	3,668,801
With 1 months past due	1,236,700	1,482,388
1 to 3 months past due	2,364,182	1,165,097
3 to 12 months past due	1,725,870	762,975
More than 1 year past due	-	464,480
	7,907,133	7,543,741

12 TRADE AND OTHER PAYABLES

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Trade payables	551,350	1,273,186
Accruals and other payables	9,755,303	6,723,031
	<u>10,306,653</u>	<u>7,996,217</u>

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

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Current to 30 days	338,053	1,137,803
31 to 60 days	50,241	94,553
61 to 90 days	3,950	1,401
Over 90 days	159,106	39,429
	<u>551,350</u>	<u>1,273,186</u>

13 AMOUNT DUE TO A NON-CONTROLLING INTEREST/ DIRECTOR

The amount due to a non-controlling interest/director is unsecured, interest-free and with no fixed repayment term.

14 INTEREST-BEARING BANK BORROWINGS

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Current		
Secured		
– bank overdraft	9,777,612	–
– bank borrowings due for repayment within one year	22,612,187	99,426,806
– bank borrowings due for repayment which contain a repayment on demand clause	<u>34,517,400</u>	<u>35,133,360</u>
	66,907,199	134,560,166
Non-current		
Secured		
– bank loans due for repayment after one year	<u>144,419,888</u>	<u>80,199,009</u>
	211,327,087	214,759,175

Bank borrowings bear interest at 1.25% (2014: 1.25%) per annum above the bank's Singapore SWAP Offer Rate, fixed for each of the reporting periods. The effective interest rate ranged from 1.59% to 2.30 % (2014: from 2.17% to 2.25 %).

15 DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments represent interest rate swap contracts held by the Group, in which the contracts period range from 5 to 7 years with the maturity dates on 7 September 2015 and 14 March 2016.

The following table details the interest rate swaps outstanding as at the end of the periods:

	Contracted fixed interest rate	Fair value at 30 June 2015 HK\$	Fair value at 31 December 2014 HK\$	Maturity
Swap #1	2.63%	427,138	766,508	14 March 2016
Swap #2	2.63%	629,647	1,129,913	14 March 2016
Swap #3	2.01%	203,296	691,730	7 September 2015
Total		1,260,081	2,588,151	
Less: Current portion		(1,260,081)	(2,294,296)	
Non-current portion		-	293,855	

As at 30 June 2015, the notional amount of the outstanding interest rate swap contracts were approximately HK\$148.0 million (31 December 2014: HK\$157.4 million).

15 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

The interest rate swap contracts are settled on a monthly basis. The interest rate swaps and the interest payments on the loan occur simultaneously. The floating rate on the interest rate swaps is the Singapore swap offer rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The fair value of financial instruments is based on valuation estimated by the directors of the Group. These valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

16 SHARE CAPITAL

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Authorised		
50,000,000,000 (31 December 2014: 50,000,000,000) ordinary shares of HK\$0.001 (31 December 2014: HK\$0.001) each	50,000,000	50,000,000
Issued and fully paid:		
2,800,000,000 (31 December 2014: 2,800,000,000) ordinary shares of HK\$0.001 (31 December 2014: HK\$0.001) each	2,800,000	2,800,000

16 SHARE CAPITAL (cont'd)

	At 30 June 2015		At 31 December 2014	
	Number of		Number of	
	shares in issue	Issued share capital HK\$	shares in issue	Issued share capital HK\$
At beginning of the period/year	2,800,000,000	2,800,000	100	1
Capitalisation issue	-	-	209,999,900	2,099,999
Placing of new shares	-	-	70,000,000	700,000
Share subdivision	-	-	2,520,000,000	-
At end of the period/year	2,800,000,000	2,800,000	2,800,000,000	2,800,000

17 RELATED PARTY TRANSACTIONS

- (i) The Group had the following material transactions with related party during the periods:

Names of related party	Nature of transaction	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
		2015	2014	2015	2014
		HK\$	HK\$	HK\$	HK\$
Mr. Tjiagus Thamrin Non-controlling interest	Rental income (note)	1,720,950	-	867,555	-

Note: The related party transactions were carried out on terms mutually agreed between the Group and the non-controlling interest, and conducted in the ordinary and usual course of the Group's business.

17 RELATED PARTY TRANSACTIONS (cont'd)

- (ii) Compensation of key management personnel of the Group, including directors' remuneration is as follows:

Names of related party	(Unaudited)		(Unaudited)	
	For six months ended		For three months ended	
	30 June		30 June	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
Salaries, allowances and benefits in kind	2,527,858	973,495	1,459,934	655,168
Pension scheme contributions	160,880	131,247	112,280	92,564
	2,688,738	1,104,742	1,572,214	747,732

- (iii) As at 31 December 2015 and 30 June 2015, the banking facilities and interest-bearing bank borrowings of the Group were supported by corporate guarantee by the Company and its subsidiary.

Details of balances with related parties are set out in the condensed consolidated statements of financial position and the corresponding notes thereto.

18 OPERATING LEASE ARRANGEMENTS

As lessee

At the end of respective period, the Group had total future minimum lease payments under non-cancellable operating leases of office rental which are payable as follows:

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Within one year	987,801	671,440
In the second to fifth years inclusive	900,907	49,187
	1,888,708	720,627

As lessor

The Group leases certain retail space and areas of its hotel properties and investment properties under operating lease arrangements, with leases negotiated for terms ranging from 1 to 2 years. The terms of leases generally also require the tenants to pay security deposits and, in certain cases, provide for periodic rent adjustments according to the terms under the leases.

At the end of respective period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	HK\$	HK\$
Within one year	3,212,480	4,685,999
In the second to fifth years inclusive	376,162	–
	3,588,642	4,685,999

19 CAPITAL COMMITMENTS

The Group had the following capital commitments at the respective periods:

	(Unaudited)	(Audited)
	30 June	31 December
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Contracted, but not provided for, in respect of renovation of hotel buildings	36,023,321	731,945

20 CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at 31 December 2014 and 30 June 2015.

21 APPROVAL OF INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the Board on 14 August 2015.