



Link Holdings Limited 華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8237



2015

Third Quarterly Report



* For identification purposes only



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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 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 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.



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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

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No. 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
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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 nine months ended 30 September 2015 (the “Review Period”), the Company and its subsidiaries (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 Group recorded a revenue of HK\$31,508,293 (nine months ended 30 September 2014: HK\$53,968,120), accounting for a decrease of approximately 41.6%. The performance of the Group dropped 299.1% from profit of HK\$1,213,793 of the corresponding period last year to loss of HK\$2,417,029. The decrease in revenue and the loss 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.

Loss attributable to shareholders was HK\$5,114,723 (nine months ended 30 September 2014: profit of HK\$980,761). Basic loss per share was HK\$0.18 cents (nine months ended 30 September 2014: basic earnings of HK\$0.04 cents). The Board does not recommend the payment of any quarterly dividend for the Review Period (nine months ended 30 September 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.

Hotel operation


For the Review Period, room revenue amounted to HK\$22,813,465 (nine months ended 30 September 2014: HK\$44,443,070) accounting for approximately 72.4% (nine months ended 30 September 2014: approximately 82.4%) 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:

	Nine months ended 30 September	
	2015	2014
Total available room nights	41,919	78,624
Occupancy rate	70.5%	59.9%
Average room rate (HK\$)	700.8	852.7
RevPAR (HK\$)	494.3	510.5

For the Review Period, food and beverage revenue was HK\$2,497,365 (nine months ended 30 September 2014: HK\$4,261,358), representing approximately 7.9% (nine months ended 30 September 2014: approximately 7.9%) 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\$2,655,233 (nine months ended 30 September 2014: HK\$2,980,219) representing approximately 8.4% (nine months ended 30 September 2014: approximately 5.5%) 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\$2,559,555 (2014: nil) representing approximately 8.1% (2014: nil) of the total revenue.


Outlook

The global economic recovery continued in the third quarter of 2015. Facing the increasing competition in tourism and hotel industry, the Group devoted itself to the quality and efficiency enhancement and improved the operating efficiency of its hotels, resulting in its steady business growth.

In late October 2015, Link Hotel was awarded as the 2015 World Luxury Hotel Awards country winner in the “Best General Manager” category of Singapore, by World Luxury Hotel Awards, a recognizable global organization providing luxury hotels with recognition for their world class facilities and service excellence.

So far, in respect of the renovation of Link Hotel in Singapore, the room fitting-out for the renovation and decoration works for phase I has been completed, and it is expected that renovation and decoration works for phase II will be completed by the end of 2015. The Board anticipates that the overhaul will attract more guests around the world and thus, increase in the room revenue.

On 15 September 2015 and 8 October 2015, the Company entered into a letter of intent and a subscription agreement with CMI Financial Holding Company Limited (“CMI Hong Kong”), an indirect wholly-owned subsidiary of China Minsheng Investment Corp., Ltd., in relation to the proposed subscription of shares and convertible bonds, which the Board considered will be beneficial to the Company for funding the sustainable development of Bintan Island, improving the financial position and strengthening the overall investment capacity of the Group. In addition, the Group has appointed an architectural firm to formulate an overall development plan for the Bintan Land (as defined in the prospectus of the Company dated 30 June 2014), and the Company will focus on redeveloping the beachfront resort in the first place.



Looking forward to the fourth quarter of 2015, the Group will expedite the 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. 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

Audit Committee

The Group has an audit committee which was established for the purpose 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 report.



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 30 September 2015 pursuant to Rule 6A.32 of the GEM Listing Rules.

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30 September 2015, the interests or short positions of the Directors and chief executive 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

Name of Director	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.

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 September 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 September 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 September 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 30 September 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 third quarterly report.

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

Hong Kong, 13 November 2015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Notes	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Revenue	3	31,508,293	53,968,120	12,083,357	19,744,521
Cost of sales		(13,020,638)	(16,580,320)	(4,504,052)	(4,922,361)
Gross profit		18,487,655	37,387,800	7,579,305	14,822,160
Other income		464,649	716,146	97,863	374,459
Selling expenses		(1,643,478)	(2,033,682)	(494,680)	(605,299)
Administrative expenses		(26,892,423)	(27,503,880)	(8,854,690)	(14,061,697)
Finance costs		(3,952,539)	(4,291,809)	(1,285,480)	(1,283,421)
Fair value gain (loss) on investment properties		12,404,656	–	(105,993)	–
Fair value gain (loss) on derivative financial instruments		280,322	(698,731)	211,880	(220,374)
(Loss) profit before income tax expense	4	(851,158)	3,575,844	(2,851,795)	(974,172)
Income tax expense	5	(1,565,871)	(2,362,051)	(72,668)	(981,744)
(Loss) profit for the period		(2,417,029)	1,213,793	(2,924,463)	(1,955,916)
Other comprehensive income (loss) that will not be reclassified to profit or loss:					
Gain on revaluation of properties		75,975,416	–	–	–
Tax expense related to gain on revaluation of properties		(12,915,821)	–	–	–
Exchange differences related to revaluation of properties		(3,472,592)	–	(3,652,873)	–

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (cont'd)

For the three months and nine months ended 30 September 2015

	Notes	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Other comprehensive (loss) income that may be classified subsequently to profit or loss:					
Exchange difference on translating foreign operations		(10,840,186)	(8,438,889)	(8,483,915)	(9,356,787)
Other comprehensive income (loss) for the period, net of tax		48,746,817	(8,438,889)	(12,136,788)	(9,356,787)
Total comprehensive income (loss) for the period		46,329,788	(7,225,096)	(15,061,251)	(11,312,703)
(Loss) profit for the period attributable to:					
Owners of the Company		(5,114,723)	980,761	(3,061,135)	(2,188,948)
Non-controlling interest		2,697,694	233,032	136,672	233,032
		(2,417,029)	1,213,793	(2,924,463)	(1,955,916)
Total comprehensive income (loss) attributable to:					
Owners of the Company		43,432,272	(7,458,128)	(14,939,469)	(11,545,735)
Non-controlling interest		2,897,516	233,032	(121,782)	233,032
		46,329,788	(7,225,096)	(15,061,251)	(11,312,703)
Basic and diluted (loss) earnings per share (HK cents)	7	(0.18)	0.04	(0.11)	(0.08)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2014

	Attributable to equity holders of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Other reserve	Translation reserves	Retained earnings	Total		
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
			(note 2)					
Balance at 1 January 2014	15	-	-	700,862	113,719,068	114,419,945	4,707,164	119,127,109
Profit for the period	-	-	-	-	980,761	980,761	233,032	1,213,793
Other comprehensive income								
– Exchange differences arising on translation of foreign operations	-	-	-	(8,438,889)	-	(8,438,889)	-	(8,438,889)
Total comprehensive (loss) income for the period	-	-	-	(8,438,889)	980,761	(7,458,128)	233,032	(7,225,096)
Elimination of share capital upon reorganisation	(15)	-	15	-	-	-	-	-
Shares issued	1	-	-	-	-	1	-	1
Capitalisation issue	2,099,999	(2,099,999)	-	-	-	-	-	-
Placing of new shares	700,000	121,800,000	-	-	-	122,500,000	-	122,500,000
Share issue expenses	-	(12,054,306)	-	-	-	(12,054,306)	-	(12,054,306)
Dividend declared and paid	-	-	-	-	(58,626,939)	(58,626,939)	-	(58,626,939)
Balance at 30 September 2014 (unaudited)	2,800,000	107,645,695	15	(7,738,027)	56,072,890	158,780,573	4,940,196	163,720,769

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

For the nine months ended 30 September 2015

	Attributable to equity holders of the Company								
	Share capital HK\$	Share premium HK\$	Hotel properties revaluation reserve HK\$ (note 1)	Other reserves HK\$ (note 2)	Translation reserve HK\$	Retained earnings HK\$	Total HK\$	Non-controlling interest HK\$	Total equity HK\$
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	-	-	-	-	-	(5,114,723)	(5,114,723)	2,697,694	(2,417,029)
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	-	-	(3,472,592)	-	-	-	(3,472,592)	-	(3,472,592)
- Exchange difference arising on translation of foreign operations	-	-	-	(11,040,008)	-	-	(11,040,008)	199,822	(10,840,186)
Total comprehensive income (loss) for the period	-	-	59,587,003	-	(11,040,008)	(5,114,723)	43,432,272	2,897,516	46,329,788
Balance as at 30 September 2015 (unaudited)	2,800,000	107,645,695	59,587,003	15	(25,150,980)	47,773,702	192,655,435	7,553,255	200,208,690

Notes:

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

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.

The financial information for the Review Period has been prepared in accordance with the International Accounting Standard ("IAS") issued by the International Accounting Standards Board and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

2 PRINCIPAL ACCOUNTING POLICIES AND CHANGE IN ACCOUNTING POLICY

The financial information of the Review Period has 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 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.

The Directors reassessed the appropriateness of this accounting policy during the period and concluded that by using the revaluation model under IAS 16, the financial information of the Review Period 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.

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

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 REVENUE

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

	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Hotel room	22,813,465	44,443,070	9,139,809	16,197,417
Food and beverage	2,497,365	4,261,358	1,029,590	1,185,561
Rental income from hotel properties	2,655,233	2,980,219	851,254	995,588
Rental income from investment properties	2,559,555	–	838,605	–
Others (Note)	982,675	2,283,473	224,099	1,365,955
	31,508,293	53,968,120	12,083,357	19,744,521

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

4 (LOSS) PROFIT BEFORE INCOME TAX EXPENSE

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

	(Unaudited)		(Unaudited)	
	For nine months ended		For three months ended	
	30 September		30 September	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
Staff costs				
– Wages and salaries	11,721,271	11,038,524	3,741,455	3,301,954
– Short-term non-monetary benefits	741,388	824,080	212,485	240,341
– Contributions to defined contribution plans	1,401,538	1,707,196	462,825	513,421
Depreciation of property, plant and equipment	9,837,944	3,068,372	1,388,866	1,059,845
Fair value gain (loss) on derivative financial instruments	280,322	(698,731)	211,880	220,374
Amortisation of prepaid lease payments	1,104,913	1,177,912	374,266	381,174
Listing expenses	–	10,635,770	–	6,991,992

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 profits arising in Singapore at the rate of 17% (nine months ended 30 September 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.

5 INCOME TAX EXPENSE (cont'd)

The subsidiary in Indonesia is subject to final income tax at a rate of 10% (nine months ended 30 September 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 (credit) for the periods are as follows:

	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Current tax expense (credit) for the period				
– Singapore Corporate Income Tax	69,449	2,362,051	(11,193)	981,744
– Indonesia Corporate Income Tax	255,956	–	83,861	–
Deferred tax for the period	1,240,466	–	–	–
	1,565,871	2,362,051	72,668	981,744

6 DIVIDEND

The Directors do not recommend payment of quarterly dividend for the nine months ended 30 September 2015 (2014: Nil).

7 (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to equity holders of the Company for the three months ended 30 September 2015 and nine months ended 30 September 2015 is based on the following data:

	(Unaudited) For nine months ended 30 September		(Unaudited) For three months ended 30 September	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
(Loss) profit attributable to equity holders of the Company	(5,114,723)	980,761	(3,061,135)	(2,188,948)
	For nine months ended 30 September		For three months ended 30 September	
	2015	2014	2015	2014
	Shares	<i>Shares</i>	Shares	<i>Shares</i>
	(Represented)		(Represented)	
Number of shares	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000

For the purpose of calculation of basic (loss) earnings per share for the three months and nine months ended 30 September 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 September 2014.

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

8 EVENTS AFTER THE REPORTING PERIOD

On 15 September 2015 and 8 October 2015, the Company and CMI Hong Kong, an independent third party, entered into a letter of intent and a subscription agreement respectively. Pursuant to the subscription agreement, CMI Hong Kong has agreed to subscribe for and the Company has agreed to:

- (a) allot and issue 690,000,000 subscription shares at the subscription price of HK\$0.33 per subscription share; and
- (b) issue the convertible bonds in the principal amount of HK\$25,278,000, which entitle the holder(s) thereof to subscribe for 76,600,000 conversion shares at the initial conversion price (subject to adjustment) of HK\$0.33 per conversion share.

9 APPROVAL OF FINANCIAL INFORMATION

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