



Link Holdings Limited

華星控股有限公司*

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

2020
INTERIM REPORT

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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 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

Mr. Ngan Iek (*Chairman*)
Datuk Siew Pek Tho

Non-executive Directors

Mr. Lin Jianguo
Mr. Zhao Guoming
Ms. Zhang Shuo

Independent non-executive Directors

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

COMPANY SECRETARY

Mr. Tong Hing Wah, HKICPA

COMPLIANCE OFFICER

Datuk Siew Pek Tho

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

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

REGISTERED OFFICE

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COMPANY'S WEBSITE

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Financial Highlights

The board (the “**Board**”) of directors (the “**Directors**”) of Link Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2020 (the “**Review Period**”) together with the comparative figures for the corresponding period in 2019 as set out below. This interim report has been reviewed by the audit committee of the Board (the “**Audit Committee**”).

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

- revenue of the Group amounted to approximately HK\$14.7 million (2019: approximately HK\$34.2 million), representing a decrease of approximately 57.0% as compared to the corresponding period in 2019.
- loss attributable to owners of the Company amounted to approximately HK\$26.9 million (2019: profit of approximately HK\$4.8 million).
- basic losses per share was approximately HK cents 0.772 (2019: basic earnings per share of approximately HK cents 0.137).

Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2020

	Notes	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
		2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$
Revenue	3	14,711,988	34,227,172	7,758,795	15,827,606
Cost of sales		(12,132,396)	(8,042,970)	(5,868,218)	(4,038,305)
Gross profit		2,579,592	26,184,202	1,890,577	11,789,301
Other income, other gains and losses		723,705	193,001	518,345	174,940
Selling expenses		(987,051)	(816,144)	(348,998)	(450,998)
Administrative expenses		(18,465,249)	(18,273,266)	(8,071,748)	(9,690,448)
Finance costs		(7,045,488)	(5,938,014)	(4,282,124)	(3,497,749)
(Loss)/Gain on changes in fair value of investment properties		(207,295)	8,546,546	(207,295)	8,546,546
Share of results of an associate	4	(5,912,078)	(1,238,646)	(5,912,078)	(476,288)
(Loss)/Profit before income tax	5	(29,313,864)	8,657,679	(16,413,321)	6,395,304
Income tax credit/(expense)	6	2,346,361	(3,420,539)	1,173,164	(2,922,548)
(Loss)/Profit for the period		(26,967,503)	5,237,140	(15,240,157)	3,472,756
Other comprehensive income/(expense) that will not be reclassified to profit or loss:					
Gain on revaluation of properties		1,269,488	1,314,483	1,269,488	1,314,483
Tax expense related to gain on revaluation of properties		(215,813)	(223,462)	(215,813)	(223,462)
Other comprehensive (expense)/income that may be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		(11,110,227)	2,211,688	30,299,884	(5,094,585)
Loss on cash flow hedges		(2,758,431)	(103,238)	(2,758,431)	(103,238)
Other comprehensive (expense)/income for the period, net of tax		(12,814,983)	3,199,471	28,595,128	(4,106,802)
Total comprehensive (expense)/income for the period		(39,782,486)	8,436,611	13,354,971	(634,046)

Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2020

	(Unaudited) For six months ended		(Unaudited) For three months ended	
	30 June		30 June	
	2020	2019	2020	2019
Notes	HK\$	HK\$	HK\$	HK\$
(Loss)/Profit for the period attributable to:				
Owners of the Company	(26,941,724)	4,769,441	(15,241,219)	2,968,586
Non-controlling interest	(25,779)	467,699	1,062	504,170
	(26,967,503)	5,237,140	(15,240,157)	3,472,756
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(39,517,364)	7,851,541	12,718,006	(1,158,768)
Non-controlling interest	(265,122)	585,070	636,965	524,722
	(39,782,486)	8,436,611	13,354,971	(634,046)
(Losses)/Earnings per share				
Basic (losses)/earnings per share (HK cents)	(0.772)	0.137	(0.437)	0.085
Diluted (losses)/earnings per share (HK cents)	(0.772)	0.134	(0.437)	0.083

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Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	At 30 June 2020 (Unaudited)	At 31 December 2019 (Audited) (Restated (remark))
Notes	HK\$	HK\$
Non-current assets		
Property, plant and equipment	449,092,825	468,348,847
Right-of-use assets	73,197,238	77,579,193
Investment properties	177,712,487	185,777,959
Interest in an associate	4 33,335,579	39,922,682 *
Prepayments for construction	954,442	713,393
Deposits for acquisition of lands	1,565,045	1,648,344
Deferred tax asset	3,143,621	772,317
Total non-current assets	739,001,237	774,762,735 *
Current assets		
Hotel inventories	426,898	416,133
Repossessed assets	9,997,807	10,192,222
Distressed debt assets classified as receivables	56,833,473	67,882,280
Trade and other receivables	9 15,713,762	10,562,003
Amount due from an associate	63,034	64,260
Cash and bank balances	22,651,203	36,685,154
Total current assets	105,686,177	125,802,052
Current liabilities		
Trade and other payables	10 58,837,624	65,489,496
Amount due to a non-controlling shareholder of subsidiaries	8,388,550	8,758,913
Amount due to a director	57,904,124	59,609,880
Interest-bearing bank borrowings	187,076,376	189,469,650
Lease liabilities	1,098,711	1,199,213
Provision for taxation	2,624,939	3,294,084
Derivative financial instruments	6,981,480	2,545,661
Convertible Bonds	24,032,991	22,547,249

Remark: due to prior year adjustments (unaudited) made for the year ended 31 December 2019, certain figures of the condensed consolidated statement of financial position as at 31 December 2019 are restated (denoted with*), but are unaudited and subject to possible changes upon the audit of the Company's consolidated financial statements for the year ending 31 December 2020. Please refer to Note 4 for further details.

Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	At 30 June 2020 (Unaudited)	At 31 December 2019 (Audited) (Restated (remark))
<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Total current liabilities	346,944,795	352,914,146
Net current liabilities	(241,258,618)	(227,112,094)
Total assets less current liabilities	497,742,619	547,650,641 *
Non-current liabilities		
Other payables	10 8,468,813	8,872,723
Interest-bearing bank borrowings	105,147,677	111,597,814
Lease liabilities	161,206	666,388
Deferred tax liabilities	24,138,395	25,055,722
Derivative financial instruments	-	1,848,980
Total non-current liabilities	137,916,091	148,041,627
Net assets	359,826,528	399,609,014 *
Equity		
Share capital	3,490,000	3,490,000
Reserves	350,976,123	390,493,487
Total equity attributable to owners of the Company	354,466,123	393,983,487
Non-controlling interests	5,360,405	5,625,527
Total equity	359,826,528	399,609,014 *

Remark: due to prior year adjustments (unaudited) made for the year ended 31 December 2019, certain figures of the condensed consolidated statement of financial position as at 31 December 2019 are restated (denoted with*), but are unaudited and subject to possible changes upon the audit of the Company's consolidated financial statements for the year ending 31 December 2020. Please refer to Note 4 for further details.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to owners of the Company										Total equity HK\$
	Share capital HK\$	Share premium HK\$ (note a)	Hotel properties revaluation reserve HK\$ (note b)	Other reserve HK\$ (note c)	Translation reserve HK\$ (note d)	Convertible bonds reserve HK\$ (note e)	Hedging reserve HK\$ (note f)	Retained earnings HK\$	Total HK\$	Non-controlling interests HK\$	
At 1 January 2019	3,490,000	333,122,249	67,976,874	2,014,251	(37,790,383)	10,698,249	(3,968,118)	68,618,243	444,161,365	5,511,263	449,672,628
Profit for the period	-	-	-	-	-	-	-	4,769,441	4,769,441	467,699	5,237,140
Other comprehensive income											
- Gain on revaluation of properties	-	-	1,314,483	-	-	-	-	-	1,314,483	-	1,314,483
- Tax expense related to gain on revaluation of properties	-	-	(223,462)	-	-	-	-	-	(223,462)	-	(223,462)
- Exchange differences arising on translation of foreign operations	-	-	-	-	2,094,317	-	-	-	2,094,317	117,371	2,211,688
- Loss on cash flow hedges	-	-	-	-	-	-	(103,238)	-	(103,238)	-	(103,238)
Total comprehensive income for the period	-	-	1,091,021	-	2,094,317	-	(103,238)	4,769,441	7,851,541	585,070	8,436,611
At 30 June 2019 (Unaudited)	3,490,000	333,122,249	69,067,895	2,014,251	(35,696,066)	10,698,249	(4,071,356)	73,387,684	452,012,906	6,096,333	458,109,239

	Attributable to owners of the Company										Total equity HK\$
	Share capital HK\$	Share premium HK\$ (note a)	Hotel properties revaluation reserve HK\$ (note b)	Other reserve HK\$ (note c)	Translation reserve HK\$ (note d)	Convertible bonds reserve HK\$ (note e)	Hedging reserve HK\$ (note f)	Retained earnings/(Accumulated losses) HK\$	Total HK\$	Non-controlling interests HK\$	
At 1 January 2020 (as previously reported)	3,490,000	333,122,249	69,358,928	2,014,251	(29,944,068)	10,698,249	(4,394,641)	12,993,519	397,338,487	5,625,527	402,964,014
Prior year adjustments	-	-	-	-	-	-	-	(3,355,000)	(3,355,000)	-	(3,355,000)
As restated (unaudited)	3,490,000	333,122,249	69,358,928	2,014,251	(29,944,068)	10,698,249	(4,394,641)	9,638,519	393,983,487	5,625,527	399,609,014
Loss for the period	-	-	-	-	-	-	-	(26,941,724)	(26,941,724)	(25,779)	(26,967,503)
Other comprehensive income/(expense)											
- Gain on revaluation of properties	-	-	1,269,488	-	-	-	-	-	1,269,488	-	1,269,488
- Tax expense related to gain on revaluation of properties	-	-	(215,813)	-	-	-	-	-	(215,813)	-	(215,813)
- Exchange differences arising on translation of foreign operations	-	-	-	-	(10,870,884)	-	-	-	(10,870,884)	(239,343)	(11,110,227)
- Loss on cash flow hedges	-	-	-	-	-	-	(2,758,431)	-	(2,758,431)	-	(2,758,431)
Total comprehensive income/(expense) for the period	-	-	1,053,675	-	(10,870,884)	-	(2,758,431)	(26,941,724)	(39,517,364)	(265,122)	(39,782,486)
At 30 June 2020 (Unaudited)	3,490,000	333,122,249	70,412,603	2,014,251	(40,814,952)	10,698,249	(7,153,072)	(17,303,205)	354,466,123	5,360,405	359,826,528

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

Notes:

- a. The share premium account of the Group represents the premium arising from the issuance of shares at premium.
- b. The hotel properties revaluation reserve represents the gains arising from the revaluation of hotel buildings of the Group and the associate (other than investment property).
- c. The other reserve of the Group represents the difference between the nominal value of shares issued by the Company and the aggregate nominal value of the issued share capital of the subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in a subsidiary acquired.
- d. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- e. The convertible bonds reserve represents the amount of proceeds on issue of convertible bonds, net of issue expenses, relating to the equity component (i.e. option to convert the debt into share capital).
- f. The hedging reserve included the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedge. Amounts are subsequently reclassified to profit or loss as appropriate.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	For six months ended 30 June	
	2020 (Unaudited) HK\$	2019 (Unaudited) HK\$
Net cash flows used in operating activities	(8,465,945)	(6,029,645)
Cash flows from investing activities		
Interest received	1,145	41
Payments for purchases of property, plant and equipment	(753,879)	(31,141,268)
Prepayments for construction	(267,706)	-
Deposits paid for acquisition of lands	-	(187,279)
Net cash used in investing activities	(1,020,440)	(31,328,506)
Cash flows generated from financing activities		
Decrease in amount due to a director	(1,070,001)	(6,369,274)
Repayments of finance lease obligation	-	(128,552)
Repayments of lease liabilities	(646,702)	(168,631)
Repayment of borrowings	(2,065,330)	(5,032,473)
Increase in amount due to a non-controlling shareholder of subsidiaries	-	189,070
Interest paid	(5,505,111)	(4,631,221)
Net cash used in financing activities	(9,287,144)	(16,141,081)
Net decrease in cash and cash equivalents	(18,773,529)	(53,499,232)
Cash and cash equivalents at beginning of period	36,685,154	165,255,807
Effect of exchange rate changes	(423,269)	(712,190)
Cash and cash equivalents at end of period	17,488,356	111,044,385
Represented by:		
Cash and bank balances	22,651,203	111,044,385
Bank overdrafts	(5,162,847)	-
	17,488,356	111,044,385

Notes to the Condensed Consolidated Interim Financial Statements

1 CORPORATE INFORMATION

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

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

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

The basis of preparation and the accounting policies applied are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2019 included in the Company's 2019 annual report, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020.

The Group has adopted all of the new and revised standards, amendments and interpretations which are relevant to its operations and effective for the accounting periods beginning on or after 1 January 2020.

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

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

Notes to the Condensed Consolidated Interim Financial Statements

3 REVENUE

- (a) An analysis of the Group's revenue representing the aggregate amount of income from hotel operations and distressed debt assets is as follows:

	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$
Income from distressed debt assets classified as receivables	6,010,020	19,359,045	3,044,983	9,978,407
Less: modification loss (Note 1)	(15,616,298)	(8,993,501)	(7,525,607)	(5,899,868)
	(9,606,278)	10,365,544	(4,480,624)	4,078,539
<i>Hotel operations:</i>				
Hotel room	16,791,501	17,839,121	9,123,969	8,830,368
Food and beverage	4,215,215	2,355,546	1,723,546	1,156,182
Rental income from hotel properties	1,773,542	3,003,962	302,666	1,520,351
Others (Note 2)	1,538,008	662,999	1,089,238	242,166
	24,318,266	23,861,628	12,239,419	11,749,067
Total	14,711,988	34,227,172	7,758,795	15,827,606

Notes:

- The amount arises from adjusting the gross amount of distressed debt assets to reflect the renegotiated or modified estimated cash flow.
- The amount mainly represents laundry and car park services.

- (b) Disaggregation of revenue:

For the six months ended 30 June (Unaudited)

	Hotel business		Distressed debt asset management		Total	
	2020	2019	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Primary geographical markets						
Singapore	21,075,234	23,861,628	-	-	21,075,234	23,861,628
Japan	3,243,032	-	-	-	3,243,032	-
PRC	-	-	(9,606,278)	10,365,544	(9,606,278)	10,365,544
Total	24,318,266	23,861,628	(9,606,278)	10,365,544	14,711,988	34,227,172

4 PRIOR YEAR ADJUSTMENTS IN RELATION TO INTEREST IN AN ASSOCIATE

Due to the travel restrictions implemented by government authority during the novel coronavirus ("COVID-19") pandemic, the management of an associate was unable to provide financial information for the year ended 31 December 2019 to the Company. As a result, the financial information based on which the Group applied the equity method to account for its interest in an associate did not cover a full year ended 31 December 2019. Therefore, the Group's share of results and share of other comprehensive income of an associate for the year ended 31 December 2019 and its interest in an associate as at 31 December 2019 as stated in the audited consolidated financial statements of the Company for the year ended 31 December 2019 (the "2019 AFS") were not prepared in accordance with International Accounting Standard 28 "Investments in Associates and Joint Ventures". According to the 2019 AFS, the Group's share of loss and share of other comprehensive expense of an associate for the year ended 31 December 2019 were stated at HK\$1,215,369 and HK\$770,422 respectively, while its interest in an associate as at 31 December 2019 was stated at HK\$43,277,682. Please refer to the independent auditor's report included in the Company's 2019 annual report for details of the qualified opinion in this regard.

Subsequent to the end of the Review Period, the management of the associate provided the unaudited financial information of the associate for the year ended 31 December 2019 and the six months ended 30 June 2020 to the Company. Based on the unaudited financial information provided, for the purpose of this interim report, the Group's share of loss of an associate for the year ended 31 December 2019 and its interest in an associate as at 31 December 2019 were restated at HK\$4,570,369 and HK\$39,922,682 respectively. Nevertheless, such prior year adjustments are subject to possible changes upon the audit of the Company's consolidated financial statements for the year ending 31 December 2020.

The effect of the unaudited prior year adjustments on the consolidated statement of financial position as at 31 December 2019 are as follows:

	At 31 December 2019		
	As previously reported (Audited) HK\$	Effect of prior year adjustments (Unaudited) HK\$	As restated (Unaudited) HK\$
Interest in an associate	43,277,682	(3,355,000)	39,922,682
Total non-current assets	778,117,735	(3,355,000)	774,762,735
Total assets less current liabilities	551,005,641	(3,355,000)	547,650,641
Net assets	402,964,014	(3,355,000)	399,609,014
Reserves	393,848,487	(3,355,000)	390,493,487
Total equity attributable to owners of the Company	397,338,487	(3,355,000)	393,983,487
Total equity	402,964,014	(3,355,000)	399,609,014

Notes to the Condensed Consolidated Interim Financial Statements

5 LOSS/PROFIT BEFORE INCOME TAX

The Group's loss/profit before income tax is arrived at after charging:

	(Unaudited)		(Unaudited)	
	For six months ended 30 June		For three months ended 30 June	
	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$
		(restated)		(restated)
Staff costs (Note)	10,460,142	10,184,709	4,325,523	5,452,482
Depreciation of property, plant and equipment	6,961,496	5,352,744	3,734,529	2,669,599
Depreciation of right-of-use assets	1,349,598	789,954	660,678	303,607
Singapore property tax expense/(over provision)	767,220	1,017,771	(161,260)	138,315

Note: Staff costs include wages and salaries, short-term non-monetary benefits, and contributions to defined contribution plans.

6 INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2020 (2019: Nil). Singapore corporate income tax has been provided on the estimated assessable profits arising in Singapore at the rate of 17% during the six months ended 30 June 2020 (2019: 17%).

Notes to the Condensed Consolidated Interim Financial Statements

The subsidiaries in Indonesia are subject to 25% on their assessable profits for the six months ended 30 June 2020 as determined in accordance with the relevant Indonesia income tax rules and regulations (2019: 25%).

Taxes on profits assessable elsewhere have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

The major components of the income tax credit/(expense) for the periods are as follows:

	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Current tax (expense)/over provision				
– Singapore Corporate Income Tax	(107,032)	(1,283,902)	1,184	(785,911)
Deferred tax credit/(expense)	2,453,393	(2,136,637)	1,171,980	(2,136,637)
Total income tax credit/(expense) for the period	2,346,361	(3,420,539)	1,173,164	(2,922,548)

7 (LOSSES)/EARNINGS PER SHARE

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

	(Unaudited) For six months ended 30 June		(Unaudited) For three months ended 30 June	
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
(Losses)/Earnings				
(Losses)/Earnings for the purpose of basic (losses)/earnings per share	(26,941,724)	4,769,441	(15,241,219)	2,968,586
Interest expenses on convertible bonds	–	–	–	–
(Losses)/Earnings for the purpose of diluted (losses)/earnings per share	(26,941,724)	4,769,441	(15,241,219)	2,968,586

Notes to the Condensed Consolidated Interim Financial Statements

	For six months ended		For three months ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic (losses)/earnings per share	3,490,000,000	3,490,000,000	3,490,000,000	3,490,000,000
Effect of dilutive potential ordinary shares on convertible bonds	-	76,600,000	-	76,600,000
Weighted average number of ordinary shares for the purpose of diluted (losses)/earnings per share	3,490,000,000	3,566,600,000	3,490,000,000	3,566,600,000

Ordinary shares are derived from 3,490,000,000 ordinary shares, being the number of shares in issue during the six months ended 30 June 2020 (2019: 3,490,000,000 ordinary shares).

8 DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2020 (2019: Nil).

9 TRADE AND OTHER RECEIVABLES

As at 30 June 2020, trade and other receivables comprised trade receivables of HK\$5,813,129 (31 December 2019: HK\$4,224,434).

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.

Notes to the Condensed Consolidated Interim Financial Statements

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

	At 30 June 2020 HK\$	At 31 December 2019 HK\$
Current to 30 days	5,481,200	3,811,033
31 to 60 days	253,349	325,990
61 to 90 days	–	30,227
Over 90 days	78,580	57,184
	5,813,129	4,224,434

10 TRADE AND OTHER PAYABLES

As at 30 June 2020, trade and other payables comprised trade payables of HK\$1,317,688 (31 December 2019: HK\$1,291,087).

The Group normally obtains credit terms of up to 30 days from its suppliers. Trade payables are interest-free. The aged analysis of trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	At 30 June 2020 HK\$	At 31 December 2019 HK\$
Current to 30 days	490,136	1,104,400
31 to 60 days	71,852	–
61 to 90 days	24,810	–
Over 90 days	730,890	186,687
	1,317,688	1,291,087

As at 30 June 2020, other payables comprised construction payables with current portion of HK\$49,136,240 (31 December 2019: HK\$52,052,895) and non-current portion of HK\$8,468,813 (31 December 2019: HK\$8,872,723).

11 EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) Since January 2020, the PRC has reported certain confirmed cases of COVID-19 which became pandemic and affected the global business environment. The outbreak of COVID-19 has led to a slow-down in travelling to Singapore and Japan and has been severely affecting the hospitality business of the Group. The Group's hotels have seen substantial room cancellations as a result of government travel restrictions, quarantines and lockdowns, thus reducing the revenue in the first half of 2020. The Group has been focusing on all possible operational cost containment options, as well as deferring capital spending where possible. Based on the information currently available, the management estimates that the Group will sustain an operation loss for the year ending 31 December 2020, despite measures to contain costs. The Group will keep continuous attention on the situation of the COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

- (b) On 21 June 2020, the Company and Mr. Ng Meng Chit (the "Subscriber") entered into a subscription agreement (the "Subscription Agreement"), pursuant to which, the Subscriber agreed to subscribe for and the Company agreed to issue convertible bonds (the "Convertible Bonds") in the principal amount of HK\$25,128,000 at the initial conversion price (the "Conversion Price") of HK\$0.036 per conversion share (the "Conversion Shares"). Based on the initial Conversion Price of HK\$0.036 per Conversion Share, a total of 698,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. The subscription and issue of the Convertible Bonds were completed on 17 July 2020.

Management Discussion and Analysis

BUSINESS REVIEW

The Group commenced its hotel business in Singapore with the opening of Link Hotel in 2007, and commenced its distressed debt assets management business in 2017. The Group also opened a new spa hotel, namely Hanatsubaki Spa Hotel in Japan in September 2019.

For the Review Period, the Group continued to stay focused on the operation of its hotel business, and the development of the resort hotel situated in Bintan, Indonesia pursuant to the master plan of the development of the Bintan Assets (as defined in the prospectus of the Company dated 30 June 2014 (the "Prospectus")). Save as disclosed in this interim report, there is no material change in the Group's businesses during the Review Period. The operation of Link Hotel in Singapore continued to generate the main source of income for the Group during the Review Period.

FINANCIAL REVIEW

For the Review Period, the Group recorded a total revenue of approximately HK\$14.7 million (2019: HK\$34.2 million), representing a decrease of approximately HK\$19.5 million or 57.0% as compared to the corresponding period in the last year, which was mainly due to the record of negative income from the Group's distressed debt assets.

For the Review Period, loss attributable to owners of the Company was approximately HK\$26.9 million (2019: profit of approximately HK\$4.8 million). Such deterioration of the Group's financial performance was mainly due to (i) the recognition of negative income from the Group's distressed debt assets (i.e. income from distressed debt assets classified as receivables less modification loss) of approximately HK\$9.6 million for the Review Period as compared to the positive income of approximately HK\$10.4 million recorded for the corresponding period in the last year; (ii) the incurring of operating loss of approximately HK\$5.5 million (2019: pre-operating loss of approximately HK\$2.1 million) for the Group's spa hotel in Japan during its initial stage of operation amid the COVID-19 pandemic; (iii) the record of loss on change in fair value of investment properties of approximately HK\$0.2 million for the Review Period as compared to the fair value gain of approximately HK\$8.5 million recorded for the corresponding period in the last year; and (iv) the increase in share of loss of an associate by approximately HK\$4.7 million; which were partially mitigated by the record of income tax credit of approximately HK\$2.3 million for the Review Period as compared to the income tax expense of approximately HK\$3.4 million for the corresponding period in the last year.

Basic losses per share for the Review Period was approximately HK cents 0.772 (2019: basic earnings per share of approximately HK cents 0.137).

Management Discussion and Analysis

Hotel operation

For the Review Period, room revenue amounted to approximately HK\$16.8 million (2019: approximately HK\$17.8 million), accounting for approximately 69.0% (2019: approximately 74.8%) of the Group's total revenue from hotel operation. Room revenue mainly represents revenue generated from hotel accommodation in Link Hotel, which accounted for approximately 90.9% of total room revenue for the Review Period (2019: 100%), and depends in part on the achieved average room rate and occupancy rate. Room revenue for the Review Period also included a minor contribution from the Group's spa hotel in Japan which commenced operation in September 2019.

During the Review Period, although the normal business of Link Hotel in Singapore was adversely affected by worldwide travel restrictions and lockdown measures due to the COVID-19 pandemic, the hotel has been used as quarantine accommodation for local residents since the second quarter of 2020. As such, the adverse effect was mitigated and the hotel was able to sustain its operation. Nevertheless, the use of Link Hotel as quarantine accommodation is subject to monthly renewal of the relevant contracts with the Singapore government. Should the Link Hotel be unable to renew such contracts or the contracts are renewed with less favourable terms due to competition with other local hotel players, while the lockdown measures due to the COVID-19 pandemic subsist and restrict the normal business of the hotel, the income of Link Hotel will be adversely affected going forward.

The following table sets out the total available room nights, occupancy rate, average room rate and Revenue per Available Room ("RevPAR") of the Group's principal hotel, i.e. Link Hotel for the periods indicated:

	Six months ended 30 June	
	2020	2019
Total available room nights	49,868	49,594
Occupancy rate	54%	61%
Average room rate (HK\$)	518.5	533.8
RevPAR (HK\$)	278.1	327.2

For the Review Period, food and beverage ("F&B") revenue was approximately HK\$4.2 million (2019: approximately HK\$2.4 million), representing approximately 17.3% (2019: approximately 9.9%) of the total revenue from hotel operation. F&B revenue represents the sale of F&B in the restaurants, bars, room services and meeting spaces of the Group's hotels.

The Group leased shop units in its hotels and received rental income from hotel tenants. For the Review Period, rental income from hotel tenants was approximately HK\$1.8 million (2019: approximately HK\$3.0 million) representing approximately 7.3% (2019: approximately 12.6%) of the total revenue from hotel business.

Bintan Assets

The construction contract for the first stage of the first phase of the Bintan Development Plan (as defined in the Prospectus) was signed in September 2016 (details were disclosed in the Company's announcement dated 29 September 2016). During 2017, the construction plan was amended to be more fitting to the latest theme of the resort. During the Review Period, due to the tight financial resources and the COVID-19 pandemic, the construction progress was substantially suspended. Based on the assessment of the Group's financial resources available, the Group made certain design changes in order to accommodate for a reduced budget of the overall construction cost. In view of the above and that the recent outbreak of the COVID-19 pandemic has affected the supply chains of various sectors worldwide, it is currently expected that, on the basis of having adequate funding and that the COVID-19 pandemic will dissipate by the end of 2020, the construction of the resort hotel will be completed by the end of 2021.

Management Discussion and Analysis

Distressed debt assets management business

During the Review Period, the Group recorded negative income from distressed debts assets (net of modification loss) of approximately HK\$9.6 million (2019: positive income of approximately HK\$10.4 million). Besides, due to the outbreak of the COVID-19 pandemic, the execution plan on recovering the distressed debts was substantially suspended during the Review Period.

Liquidity, financial resources and capital structure

During the Review Period, the Group mainly financed its operations with its own working capital and bank loans. As at 30 June 2020, the Group had net current liabilities of approximately HK\$241.3 million, including cash and bank balances of approximately HK\$22.7 million, short-term interest-bearing bank borrowings of approximately HK\$187.1 million and convertible bonds with principal sum of approximately HK\$25.3 million and maturity in November 2020. As at 30 June 2020, the Group also had non-current interest-bearing bank borrowings of approximately HK\$105.1 million which were due for repayment after one year but within five years. As at 30 June 2020, the Group's bank borrowings (excluding bank overdrafts) bore interest at 1.75% per annum (31 December 2019: 1.75% per annum) above the bank's Singapore swap offer rate. The effective interest rate was fixed at 3.85% per annum (31 December 2019: 3.85% per annum). During the Review Period, the Group had an interest rate swap contract to hedge the interest rate risk of the floating rate interest-bearing bank borrowings.

The Directors have been closely monitoring its working capital and considered appropriate funding such as internal operating fund, unutilised banking facilities and seeking new external funding. The Directors will manage the capital of the Group and ensure that the Group will have sufficient financial resources to finance its working capital requirements.

The gearing ratio calculated based on the Group's total debts (being interest-bearing bank borrowings and convertible bonds) divided by the Group's total equity and multiplied by 100% as at 30 June 2020 was approximately 87.9% (31 December 2019 (restated): approximately 81.0%).

There is no cancellation, conversion or redemption of the convertible bonds during the Review Period. As such, the outstanding principal amount of the convertible bonds remained approximately HK\$25.3 million as at 30 June 2020 (31 December 2019: approximately HK\$25.3 million) with a maturity date on 30 November 2020.

Measures to address the going concern issue

During the Reporting Period and up to the date of this interim report, the Group has been undertaking a number of measures to improve its liquidity and financial position to address the audit qualification on going concern as disclosed in the independent auditor's report for the year ended 31 December 2019, including but not limited to: (i) the negotiation with the Group's principal lending bank in Singapore for increase of credit facilities; (ii) the application for government-supported low-interest-rate loans from Japan financial institutions to finance the operation of the Group's spa hotel in Japan; (iii) the application for various COVID-19 related subsidies from local governments so as to reduce the operation costs of the Group; and (iv) the completion of issue of new convertible bonds with net proceeds raised amounting to approximately HK\$25 million.

Management Discussion and Analysis

Significant investments

The Group did not acquire or hold any significant investment during the Review Period (2019: nil).

Material acquisitions and disposals

During the Review Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Contingent liabilities

As at 30 June 2020, the Group did not have any contingent liabilities (31 December 2019: nil).

Employees and remuneration policies

As at 30 June 2020, the Group engaged a total of approximately 80 employees (31 December 2019: approximately 90). Total staff costs including Directors' remuneration for the Review Period amounted to approximately HK\$10.5 million (2019: approximately HK\$10.2 million). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees.

The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. As at 30 June 2020, no options had been granted under the share option scheme.

Foreign currency exposure

Substantially all the transactions of the Group's subsidiaries in Singapore, Indonesia, Japan and the People's Republic of China (the "PRC") are carried out in Singapore dollar, Indonesia Rupiah, Japanese Yen and Renminbi ("RMB") respectively, which are the functional currencies of the subsidiaries. Therefore, foreign currency risk for the respective currencies above are minimal. However, the translation of functional currencies for respective subsidiaries above to the presentation currency in Hong Kong dollar might be exposed to foreign currency risk. During the Review Period, the Group had not used any financial instruments for foreign currency risk hedging purposes.

Charges on group assets

As at 30 June 2020, certain property, plant and equipment of the Group with net carrying amount of approximately HK\$159.3 million (31 December 2019: approximately HK\$168.9 million) were pledged to secure for the banking facilities.

Dividend

The Directors do not recommend the payment of any dividend for the Review Period. (2019: Nil).

Management Discussion and Analysis

Issue of securities

On 21 June 2020, the Company and Mr. Ng Meng Chit (the “Subscriber”) entered into a subscription agreement (the “Subscription Agreement”), pursuant to which, the Subscriber agreed to subscribe for and the Company agreed to issue convertible bonds (the “Convertible Bonds”) in the principal amount of HK\$25,128,000 at the initial conversion price (the “Conversion Price”) of HK\$0.036 per conversion share (the “Conversion Shares”). Based on the initial Conversion Price of HK\$0.036 per Conversion Share, a total of 698,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. The subscription and issue of the Convertible Bonds were completed on 17 July 2020.

The gross proceeds and net proceeds from the issue of the Convertible Bonds are HK\$25,128,000 and approximately HK\$24,870,000 respectively. It is intended that the Company shall mainly utilise the net proceeds from the issue of the Convertible Bonds for the redemption of another convertible bonds which mature in November 2020 (assuming no conversion before its maturity), with any remaining amount as general working capital of the Group. Please refer to the Company’s announcement dated 21 June 2020 for further details.

PRIOR YEAR ADJUSTMENTS

The Company made prior year adjustments (unaudited and subject to possible changes upon the audit of the Company’s consolidated financial statements for the year ending 31 December 2020) in relation to its interest in an associate for the year ended 31 December 2019 due to the impact of the COVID-19 pandemic on the then reporting of financial information of the associate. Please refer to Note 4 to the condensed consolidated interim financial statements for further details.

OUTLOOK

The Group adopts an optimistic attitude in the future growth of its businesses. Apart from attracting new valuable guests to Link Hotel in Singapore and the recently opened Hanatsubaki Spa Hotel in Japan, the Group will continue to focus on the development of the Bintan Land (as defined in the Prospectus) to contribute income to the Group and increase return of the assets and enterprise value, with an aim to be a successful player of the vacation and resort industry in Asia with international competitiveness. To broaden the Group’s income stream, the Group will take the opportunity of the “One Belt, One Road” development and continuously seek potential acquisition opportunities in the PRC.

Although the Group is facing challenges arising from the outbreak of the COVID-19 pandemic since January 2020 which has led to the travel restrictions of tourists from Hong Kong, China and certain countries, and affected the Group’s hotel business in Asia, the Directors consider such unfavorable environment is short-term and will not affect the Group’s hotel business in the medium to long run. The Group will continue to explore potential projects for expanding its business horizon to the Greater China region and other Asian countries in order to capture the opportunities arising from the growth in the tourism industry in the PRC and other areas in Asia. Nevertheless, the Group will take a cautious approach when seeking potential acquisition opportunities to maximise shareholders’ value.

AUDIT COMMITTEE

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

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

COMPETING INTEREST

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Review Period.

CORPORATE GOVERNANCE CODE

Except that Mr. Ngan Iek, chairman of the Company, and all the non-executive Directors and independent non-executive Directors, due to their respective other important engagements, did not attend the annual general meeting of the Company held on 23 June 2020, the Group had complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules throughout the Review Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the required standard of dealings as set out in Rules 5.48 to Rules 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings throughout the Review Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Review Period.

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.

Other Information

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2020, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Charter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long position in shares of the Company

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

Note: These shares are registered in the name of Vertic Holdings Limited ("Vertic"), a company 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. Pursuant to a Hong Kong court order dated 9 December 2019, Vertic was ordered to be wound-up. For details, please refer to the announcement of the Company dated 9 December 2019.

Long position in Vertic, an associated corporation of the Company

Name of Directors	Nature of interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the associated corporation
Mr. Ngan Iek	Beneficial owner	500	50%
Ms. Ngan Iek Peng	Beneficial owner	250	25%
Datuk Siew Pek Tho	Interest of spouse (<i>Note 1</i>)	250	25%

Notes:

1. Datuk Siew Pek Tho is the spouse of Ms. Ngan Iek Chan who is the 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.
2. Pursuant to a Hong Kong court order dated 9 December 2019, Vertic was ordered to be wound-up. For details, please refer to the announcement of the Company dated 9 December 2019.

Save as those disclosed above, as at 30 June 2020, none of the Directors had any interests or short positions in the shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Other Information

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

As at 30 June 2020, so far as any Directors are aware, the following persons (other than the interests disclosed above in respect of certain Directors) had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in Shares

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage
Vertic	Beneficial owner	1,900,000,000 <i>(Note 1)</i>	54.44%
Ms. Cheng Wing Shan	Interest of spouse	1,900,000,000 <i>(Note 2)</i>	54.44%
CMI Financial Holding Company Limited ("CMI Hong Kong")	Beneficial owner	690,000,000 <i>(Note 3)</i>	19.77%
China Minsheng Asia Asset Management Company Limited* (Formerly known as "Minsheng (Shanghai) Asset Management Company Limited*") 中民投亞洲資產管理有限公司 (前稱「民生(上海)資產管理有限公司」)("CMI Asia")	Interest of controlled corporation	690,000,000 <i>(Note 3)</i>	19.77%
China Minsheng Investment Group Corporation Limited* (中國民生投資股份有限公司) ("China Minsheng Investment")	Interest of controlled corporation	690,000,000 <i>(Note 3)</i>	19.77%
China Orient Asset Management Corporation ("China Orient")	Beneficial Owner	310,000,000 <i>(Note 4)</i>	8.88%

Notes:

1. Vertic is a company 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. Pursuant to a Hong Kong court order dated 9 December 2019, Vertic was ordered to be wound-up. For details, please refer to the announcement of the Company dated 9 December 2019.
2. Ms. Cheng Wing Shan is the spouse of Mr. Ngan Iek. Ms. Cheng Wing Shan is deemed to be interested in all the Shares in which Mr. Ngan Iek is interested in under Part XV of the SFO.
3. Such shares are held by CMI Hong Kong, which is wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the shares held by CMI Hong Kong under Part XV of the SFO.
4. Pursuant to the notices of disclosure of interest filed by China Orient, it has (i) a security interest in 200,000,000 Shares, and (ii) a deemed interest in 110,000,000 Shares held by its controlled corporation.

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

Name of the holder of the convertible bonds	Capacity	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (Note 1)
CMI Hong Kong (Note 2)	Beneficial owner	HK\$25,278,000	76,600,000	2.19%
CMI Asia (Note 2)	Interest of controlled corporation	HK\$25,278,000	76,600,000	2.19%
China Minsheng Investment (Note 2)	Interest of controlled corporation	HK\$25,278,000	76,600,000	2.19%
Ng Meng Chit ("Mr. Ng") (Note 3)	Beneficial owner	HK\$25,128,000	698,000,000	20.00%

Notes:

1. As at 30 June 2020, the Company has a total number of 3,490,000,000 shares in issue.
2. Such underlying shares are held by CMI Hong Kong, a company wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment. Both CMI Asia and China Minsheng Investment are deemed to be interested in all the underlying shares held by CMI Hong Kong under Part XV of the SFO.
3. Pursuant to the subscription agreement dated 21 June 2020 and entered into between Mr. Ng and the Company, Mr. Ng agreed to subscribe for and the Company agreed to issue the Convertible Bonds in the principal amount of HK\$25,128,000, which can be converted into 698,000,000 shares of the Company.

Other Information

Save as disclosed above, as at 30 June 2020, 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 which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

By Order of the Board

Link Holdings Limited

Ngan Iek

Chairman and executive Director

Hong Kong, 14 August 2020

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