



国 联 通 信

Global Link

國 聯 通 信 控 股 有 限 公 司

Global Link Communications Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8060)

Third Quarterly Result Announcement 2007

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcement in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement, for which the directors (the “Directors”) of Global Link Communications 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

Turnover for the nine months ended 31 December 2007 was HK\$28,579,000 representing a 22% increase from that of the last corresponding period.

Profit attributable to equity holders of the Company was approximately HK\$6,198,000 representing a 83% increase from that of the last corresponding period.

UNAUDITED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2007

The board of directors (the “Board”) of Global Link Communications Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (“Global Link” or the “Group”) for the three months and the nine months ended 31 December 2007 together with the unaudited comparative figures for the corresponding period in 2006 (“Last Corresponding Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the three months ended 31 December		For the nine months ended 31 December	
		2007	2006	2007	2006
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	2	8,985	8,608	28,579	23,420
Cost of sales		<u>(4,765)</u>	<u>(5,926)</u>	<u>(17,062)</u>	<u>(15,955)</u>
Gross profit		4,220	2,682	11,517	7,465
Other income		787	114	2,831	1,918
Selling expenses		(1,274)	(757)	(2,961)	(2,331)
Administrative expenses		(1,575)	(1,071)	(4,070)	(3,334)
Finance costs		<u>(3)</u>	<u>(94)</u>	<u>(19)</u>	<u>(102)</u>
Profit before tax		2,155	874	7,298	3,616
Income tax	3	<u>(467)</u>	<u>(75)</u>	<u>(1,100)</u>	<u>(222)</u>
Profit for the period		<u>1,688</u>	<u>799</u>	<u>6,198</u>	<u>3,394</u>
Attributable to:					
Equity holders of the Company		1,688	799	6,198	3,394
Minority interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,688</u>	<u>799</u>	<u>6,198</u>	<u>3,394</u>
Earnings per share (in HK cents)					
- Basic	5	0.22	0.12	0.82	0.51
- Diluted		<u>0.21</u>	<u>0.11</u>	<u>0.78</u>	<u>0.50</u>

NOTES TO THE INCOME STATEMENT

1. BASIS OF PREPARATION

The Group's unaudited third quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

These financial statements have been prepared under the historical cost convention.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the nine months ended 31 December 2007 are consistent with those followed in the annual report of the Company for the year ended 31 March 2007.

2. REVENUE

Revenue, which is also the Group's turnover, presents net of value-added tax, trade discounts and returns.

3. INCOME TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the nine months ended 31 December 2007 of the individual companies within the Group arising in Hong Kong. No provision for Hong Kong profits tax has been made as individual companies within the Group has no assessable profit for the nine months ended 31 December 2007 (2006: Nil).

PRC enterprise income tax ("EIT") represents tax charges on the assessable profits of the PRC subsidiaries of the Group at the prevailing tax rates applicable. One of the PRC subsidiaries of the Group, Guangzhou Global Link Communications Inc. ("Guangzhou GL"), has been approved as a high and new technology enterprise and entitled to a favorable national tax rate of 15%. In addition, being a wholly foreign-owned enterprise, Guangzhou GL was entitled to preferential tax treatments including full exemption from PRC enterprise income tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three consecutive years. The statutory financial year ended 31 December 2006 was the final year for Guangzhou GL to be entitled to 50% tax reduction treatment. The tax rates applicable to Guangzhou GL were 18% for the six months ended 31 December 2007. EIT tax charge for the nine months ended 31 December 2007 was HK\$1,100,000 (2006: HK\$222,000).

There was no significant unprovided deferred taxation for the nine months ended 31 December 2007.

4. DIVIDEND

The Board does not recommend an interim dividend for the nine months ended 31 December 2007 (2006: Nil).

5. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	For the three months ended 31 December		For the nine months ended 31 December	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to equity holders of the parent)	<u>1,688</u>	<u>799</u>	<u>6,198</u>	<u>3,394</u>

	Number of shares			
	For the three months ended 31 December		For the nine months ended 31 December	
	2007	2006	2007	2006
	(Unaudited) '000	(Unaudited) '000	(Unaudited) '000	(Unaudited) '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	769,695	660,025	758,562	660,025
Effect of dilutive potential ordinary shares:				
Share options	36,427	15,340	36,812	15,136
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>806,122</u>	<u>675,365</u>	<u>795,374</u>	<u>675,161</u>

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Merger reserve (Unaudited) HK\$'000 (note a)	Foreign exchange translation reserve (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000 (note b)	Total (Unaudited) HK\$'000
As at 1 April 2006	6,600	15,120	2,135	37	177	(20,290)	2,147	5,926
Profit for the period	-	-	-	-	-	3,394	-	3,394
Transfer to statutory reserve fund	-	-	-	-	-	(677)	677	-
As at 31 December 2006	<u>6,600</u>	<u>15,120</u>	<u>2,135</u>	<u>37</u>	<u>177</u>	<u>(17,573)</u>	<u>2,824</u>	<u>9,320</u>
As at 1 April 2007	6,635	15,211	2,135	245	177	(17,721)	2,352	9,034
Profit for the period	-	-	-	-	-	6,198	-	6,198
Placing of new shares	1,000	9,600	-	-	-	-	-	10,600
Exercise of share option	62	485	-	-	-	-	-	547
Equity-settled share based payments	-	-	-	-	255	-	-	255
Transfer to statutory reserves	-	-	-	-	-	(611)	611	-
As at 31 December 2007	<u>7,697</u>	<u>25,296</u>	<u>2,135</u>	<u>245</u>	<u>432</u>	<u>(12,134)</u>	<u>2,963</u>	<u>26,634</u>

Note:

- (a) The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiary arising from group reorganisation in 2002.
- (b) Statutory reserves comprise statutory surplus reserve and statutory welfare reserve fund of subsidiary in the People's Republic of China (the "PRC").

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business review and outlook

Following the implementation of the PRC's eleventh five year plan, construction of railway transportation has fully started, with so far the greatest construction investment in highway passenger line between cities as well as underground railway in core cities. To prepare for the 2008 Olympic Games, 2010 World Expo and 2010 Asia Games, cities including Beijing, Shanghai and Guangzhou have implemented the construction of several underground railways. At the same time, cities including Shenzhen, Nanjing, Chengdu, Chongqing, Hangzhou, Wuhan, Xian, Tianjin and Shenyang have started underground railway projects.

During the period, the Group insisted on its "Sincere, Professional, Creative" corporate aim, through stable and reliable product quality, continuous creativity in technology and good construction services, had earned the trust and support from customers. The Group kept increasing investment in research and development in railway transportation communication system. Professionals in product development, project technology and project implementation had been greatly encouraged. Resulted from the good reputation of the Group's railway view channel control system, its railway media broadcast and information broadcast system were included in the purchase list of train manufacturers and underground railway construction companies. The Changchun Railway vehicle Co., Ltd. and Global Link signed a product technology agreement for railway media broadcast system and railway view channel control system for Beijing Underground Line 13. The Group also signed a product technology agreement with CSR Sifang Locomotive and Rolling Stock Co., Ltd for railway broadcast system, railway media system and railway view channel control system for Beijing Underground Line 8. On 27 December 2007, the Group signed agreement for railway media system and railway broadcast system for Beijing Underground Tourist line with BMTROC. Rolling Stock Plant.

In the last few months, the Group had started communication with owner of underground railway projects for more than 10 cities for project technology and the application and design of railway information system products. In the coming months, the Group is expected to get the purchase contracts for railway information system for railway transportation from other cities.

During the period, the Group had achieved new development in the telecommunication industry, and had signed new value-added services solution contracts with telecommunication backbone operators including China Unicom, China Telecom and Railway Comm. At the same time, the Group's most scaled customers relations management "International Elite Ltd." provided paging system platform solution with technology exceeding that based on IP technology.

In the "China Mobile Group Customers and Mobile Information Conference" held on 11 and 12 December 2007, the application of RFSIM card technology were included in more than 10 projects. Customer experiences have brought to the professional participants from the industry and operators unlimited room for imagination and future broad customer market. The Group had started implementation in operating business model, applicable industry and network construction with the Company holding RFSIM Technology patent.

Financial review

For the nine months ended 31 December 2007, the Group recorded a turnover of approximately HK\$28,579,000, representing an increase by approximately 22% comparing with that of the last corresponding period. Gross profit of approximately HK\$11,517,000 was recorded, which represents an increase in gross profit margin from approximately 32% to approximately 40%. Net profit attributable to equity shareholders of the Company of approximately HK\$6,198,000 was recorded in this quarter.

During the period under review, to cope with market demand resulting from the huge construction investment from railway transportation, the Group had further increased investment in research and development in railway transportation communication system. With the launch of view channel control system and the continuous launch of value-added solutions for telecommunication operators, the Group's gross profit had a significant increase compared with last corresponding period. Other income is fairly stable while selling expenses and administrative expenses had increased as a result of increase in turnover and the future market development.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2007, so far is known to the Directors, the interests of the Directors and the chief executives of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors were as follows:—

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Ma Yuanguang	Company	Beneficial owner	165,217,600 ordinary shares Long position	21.47%
		Beneficial owner	10,556,000 ordinary shares Long position (Note 1)	1.37%

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Hu Zhi Jian	Company	Interest of controlled corporation	79,347,600 ordinary shares Long position (Note 2)	10.31%
		Beneficial owner	8,889,000 ordinary shares Long position (Note 1)	1.15%
Chau Siu Piu (resigned on 1 January 2008)	Company	Beneficial owner	58,560,400 ordinary shares Long position	7.61%
		Beneficial owner	7,778,000 ordinary shares Long position (Note 1)	1.01%
Lo Kam Hon, Gary	Company	Beneficial owner	120,000 ordinary shares Long position	0.02%
Wing Kee Eng, Lee	Company	Beneficial owner	2,778,000 ordinary shares Long position (Note 1)	0.36%
Hu Tiejun	Company	Beneficial owner	833,000 ordinary shares Long position (Note 1)	0.11%
Lu Ting Jie	Company	Beneficial owner	833,000 ordinary shares Long position	0.11%

Note:

1. Share options to subscribe for 10,556,000 shares, 8,889,000 shares, 7,778,000 shares, 2,778,000 shares and 833,000 shares of the Company were granted to Ma Yuanguang, Hu Zhi Jian, Chau Siu Piu, Wing Kee Eng, Lee and Hu Tiejun respectively pursuant to the Pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) adopted and approved by the shareholders of the Company on 24 October 2002.
2. Bright Cosmos Holdings Limited, the entire issued share capital of which is held by Hu Zhi Jian, is interested in the 79,347,600 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2007, so far is known to the Directors, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, so far is known to the Directors, the following person (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or 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 meeting of any other members of the Group:

Name	Capacity	Class and number of securities	Approximate percentage of shareholding
Leung Kin Man	Beneficial owner	50,000,000 ordinary shares Long position	6.50%
Deng Xufu	Beneficial owner	49,480,000 ordinary shares Long position	6.43%

Save as disclosed above, as at 31 December 2007, so far is known to the Directors, there was no person (not being a Director or a chief executive of the Company) who had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or was 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 meeting of any other members of the Group, or any options in respect of such capital.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this announcement, as at 31 December 2007, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors and chief executive of the Company or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such rights.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the Company's directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the directors throughout the nine months ended 31 December 2007.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group had purchased, sold or redeemed any of the shares of the Company during the nine months ended 31 December 2007.

COMPETING INTERESTS

None of the Directors nor the substantial shareholder nor the initial management shareholders (as defined in the GEM Listing Rules) of the Company nor their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competed or might compete with the business of the Group.

PLACING OF SHARES

The Company allotted and issued an aggregate of 100,000,000 new shares at a subscription price of HK\$0.106 each to six private investors under the general mandate of the Company, the subscription of the new shares was completed on 26 April 2007. Please refer to the announcements of the Company dated 11 April 2007 and 26 April 2007 for further details of the allotment of shares.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises of three members, namely Mr. Hu Tiejun, Professor Lu Ting Jie and Mr. Leung Kwok Keung, all being independent non-executive Directors. The Group's unaudited results for the nine months ended 31 December 2007 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures had been made.

By order of the Board

Ma Yuanguang

Chairman

Hong Kong, 4 February 2008

As at the date of this announcement, the executive directors of the Company are Mr. Ma Yuanguang, Mr. Hu Zhi Jian and Mr. Lo Kam Hon, Gary; the non-executive director of the Company is Mr. Wing Kee Eng, Lee; and the independent non-executive directors of the Company are Mr. Hu Tiejun, Mr. Lu Ting Jie and Mr. Leung Kwok Keung.

This announcement will remain on the "Latest Company Announcement" page of the GEM website www.hkgem.com for at least 7 days from the date of its posting.