



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT 2015

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.glink.hk.

HIGHLIGHTS

Turnover for the three months ended 30 June 2015 was approximately HK\$10,434,000 representing approximately 53% decrease from that of the Last Corresponding Period.

Loss attributable to equity shareholders of the Company of approximately HK\$4,878,000 and net profit of HK\$2,760,000 was recorded in the Last Corresponding Period.

UNAUDITED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2015

The board of Directors (the “**Board**”) of Global Link Communications Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (“**Global Link**” or the “**Group**”) for the three months ended 30 June 2015 (“**Current Period**” or “**period**”) together with the unaudited comparative figures for the corresponding period in 2014 (“**Last Corresponding Period**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2015

	<i>Note</i>	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue	2	10,434	22,029
Cost of sales		<u>(12,306)</u>	<u>(17,879)</u>
Gross profit		(1,872)	4,150
Other revenue		1,342	2,175
Selling expenses		(1,612)	(1,108)
Administrative expenses		<u>(2,736)</u>	<u>(2,457)</u>
(Loss)/profit before taxation		(4,878)	2,760
Income tax	3	<u>–</u>	<u>–</u>
(Loss)/profit for the period		(4,878)	2,760
Other comprehensive (loss)/income:			
Exchange differences on translating foreign operations		<u>–</u>	<u>–</u>
Total comprehensive (loss)/income for the period		<u>(4,878)</u>	<u>2,760</u>
(Loss)/profit attributable to:			
Equity shareholders of the Company		(4,878)	2,760
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(4,878)</u>	<u>2,760</u>
Total comprehensive (loss)/income attributable to:			
Equity shareholders of the Company		(4,878)	2,760
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(4,878)</u>	<u>2,760</u>
(Loss)/earnings per share (in HK cents):	5		
– Basic		<u>(0.448)</u>	<u>0.287</u>
– Diluted		<u>(0.448)</u>	<u>N/A</u>

NOTES TO THE INCOME STATEMENT

1. BASIS OF PREPARATION

The Group's unaudited quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, 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 Hong Kong Companies Ordinance.

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

2. REVENUE

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

3. INCOME TAX

No Hong Kong profits tax has been provided in the financial statements as the Company and its subsidiaries in Hong Kong did not derive any assessable profits for the period. (2014: Nil)

A PRC subsidiary, Guangzhou Global Link Communications Inc. ("Guangzhou GL") was qualified as a high and new technology enterprise from October 2014 and was entitled to a concessionary rate of PRC enterprise income tax (the "PRC EIT") at 15% over 3 years.

Another PRC subsidiary, 廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司") ("勝億科技") was qualified as an approved software enterprise since year 2011 and was exempted from the PRC EIT for the year ended 31 December 2011, followed by a 50% reduction of enterprise income tax rate from year 2012 to year 2014. 勝億 was qualified as a high and new technology enterprise from October 2014 and was entitled to a concessionary rate of the PRC EIT at 15% over 3 years.

Except for Guangzhou GL and 勝億科技 as mentioned above, remaining subsidiary located in the PRC is subject to the PRC EIT rate of 25% (2014: 25%) on its assessable profits.

The Company and its subsidiaries incorporated in countries other than the PRC and Hong Kong are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

There was no significant unprovided deferred taxation for the three months ended 30 June 2015.

4. DIVIDEND

The Board does not recommend an interim dividend for the three months ended 30 June 2015 (2014: Nil).

5. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the unaudited consolidated loss attributable to equity shareholders of the Company for the three months ended 30 June 2015 of approximately HK\$4,878,000 (2014: consolidated profit attributable to equity shareholders of the Company of approximately HK\$2,760,000) and the weighted average number of approximately 1,088,808,000 ordinary shares (2014: 960,808,000 ordinary shares) in issue during the period calculated.

(b) Diluted earnings/(loss) per share

The basic and diluted loss per share are the same for three months ended 30 June 2015, as the warrants outstanding during the period are anti-dilutive.

There were no potential dilutive ordinary shares for the three months ended 30 June 2014, and therefore, no diluted earnings per share has been presented.

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Merger reserve (unaudited) HK\$'000 <i>(note a)</i>	Exchange reserve (unaudited) HK\$'000	Warrant reserve (unaudited) HK\$'000	(Accumulated losses)/ retained profits (unaudited) HK\$'000	Statutory reserves (unaudited) HK\$'000 <i>(note b)</i>	Total (unaudited) HK\$'000
As at 1 April 2014	9,608	58,725	2,135	12,053	-	3,689	10,807	97,017
Profit attributable to equity shareholders of the Company for the period	-	-	-	-	-	2,760	-	2,760
As at 30 June 2014	<u>9,608</u>	<u>58,725</u>	<u>2,135</u>	<u>12,053</u>	<u>-</u>	<u>6,449</u>	<u>10,807</u>	<u>99,777</u>
As at 1 April 2015	10,888	89,807	2,135	12,129	186	(38,773)	10,807	87,179
Loss attributable to equity shareholders of the Company for the period	-	-	-	-	-	(4,878)	-	(4,878)
As at 30 June 2015	<u>10,888</u>	<u>89,807</u>	<u>2,135</u>	<u>12,129</u>	<u>186</u>	<u>(43,651)</u>	<u>10,807</u>	<u>82,301</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 operations and prospects

During the Current Period, the Chinese government introduced further reforms in various areas. The implementation of economic strategies including “One Belt, One Road” and the founding of the Asian Infrastructure Investment Bank, has led to the restructuring of China South Locomotive and Rolling Stock Corporation Limited and China Northern Locomotive and Rolling Stock Industry (Group) Corporation into CRRC Corporation Limited (the “**CRRC**”). The CRRC’s integrated strength can not only cope with the huge investment requirements in domestic railway transportation, but also provide significant competitive edge in expanding into international market. With the steady implementation of government policies to achieve steady growth, cities at all levels invested in infrastructure in accordance with the 12th Five-year Plan, in particular in the construction of railway transportation which shows an increasing trend.

During the Current Period, the Group persistently adopts continuous innovation as the driving force, and actively expand in the railway transportation business, as well as leveraging on the exclusive patent license to carry out services and operations for smart cities, in order to progress towards its business transformation to “Internet +” under its “two-wheel-drive” business action plan. Guangzhou Global Link Communications Inc., a subsidiary of the Group, is principally engaged in the overall solutions of rail transit information system, and has more than 100 projects with over 10 years’ track record in the industry. The implementation of the projects have accumulated rich experience for the project team. Under the “innovation-driven” business philosophy and guidelines, with the increase in demand in the industry during the Current Period, the Group has signed several new contracts for new lines construction. Comparing with previous years, the Group has obtained more contracts from owners of underground railway in respect of repair and maintenance services, spare parts and accessories as well as old lines reconstruction.

“Internet +” is a national strategy. The Group through its wholly-owned subsidiary, 廣州勝億科技信息有限公司 (“**勝億科技**”), cooperated with local government to develop Panyu District, Guangzhou, into a smart city with an emphasis on building of electronic archives, cards, bonus and services related to the livelihoods of locals by making use of our patent protected CA-SIM technology. The first project “temporary rental apartment visitor management system”, is based on CA-SIM’s unique technology and make use of personal mobile terminal and intelligent apps, to achieve personalized services including real-name authorization check, real-time online, and APP for apartment rentals and jobs finding services. 勝億科技 has also carried out product application plan and promotion in large residential area, university area and various commercial areas. With the ongoing development of the government’s “four livelihood” policy, the Group believes there will be rapid growth in services and operation projects.

Financial review

For the three months ended 30 June 2015, the Group's turnover was approximately HK\$10,434,000, which was decreased by around 53% as compared to the Last Corresponding Period, gross loss of approximately HK\$1,872,000 was recorded, with gross loss margin at 18%. Net loss attributable to equity shareholders of the Company was approximately HK\$4,878,000 and net profit of HK\$2,760,000 was recorded in the Last Corresponding Period.

During the period, the passenger information system supply contracts signed in previous two year, including Shenzhen Line 1, Hangzhou Line 2 and project in Ankara, Turkey have postponed delivery due to reasons from project owners. While the newly signed lines including Guangzhou Line 4-South Extension line, Guangzhou line 7, Guangzhou Line 8-extension line, and Guangzhou Line 9 have not yet due for delivery. Revenue for the period was mainly from train equipment for six trains in Fuzhou Line 6, for 4 trains in Dongguan Line 2 and for one train in Hangzhou Line 2; and revenue from sales of spare parts and accessories for previous projects. Material consumption rate at approximately 83%. Since the selling prices for goods delivered in the Current Period was relative lower than in the Last Corresponding Period, has led to relatively higher material consumption rate than the Last Corresponding Period. Cost of sales during the period constitute research and development expenses and manufacturing costs, amounting HK\$2,784,000 and HK\$886,000, respectively, totaling HK\$3,670,000. Research and development expenses and manufacturing costs were HK\$2,936,000 and HK\$1,455,000, respectively, totaling HK\$4,391,000 for the Last Corresponding Period. Overall, in the Current Period, lesser quantities of goods were delivered with higher material consumption rate as compared to the Last Corresponding Period. Even the total research and development expenses and manufacturing costs were lower than the Last Corresponding Period, due to lower gross profit from goods delivered and cannot make up the research and development expenses and manufacturing costs, resulted in negative gross profit for the Current Period.

During the period, the Group's selling expenses increased by 45% over the Last Corresponding Period, mainly resulted from more business activities with train manufacturers and business owners were carried out in respect of new projects with bidding commenced in the Current Period. The launch of smart cities, with promoting activities including CA-SIM Access, have led to recruitment of new promotion team and purchase of office equipment, which caused the increase in selling expenses.

The actual administrative expenses incurred were approximately HK\$555,000, representing 23% decrease from the Last Corresponding Period. The Group has obtained the authorization of CA-SIM patents in late 2014, with amortization of HK\$813,000 charged for the Current Period, administrative expenses have increased by HK\$279,000, represented 11% increase over the Last Corresponding Period.

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

As at 30 June 2015, so far as 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	255,121,200 ordinary shares Long position	23.43%
Lo Kam Hon, Gary	Company	Beneficial owner	120,000 ordinary shares Long position	0.01%
Hu Tiejun	Company	Beneficial owner	833,000 ordinary shares Long position	0.08%
Lu Ting Jie	Company	Beneficial owner	833,000 ordinary shares Long position	0.08%

Save as disclosed above, as at 30 June 2015, so far as 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 30 June 2015, so far as 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
International Elite Ltd.	Beneficial owner	128,000,000 ordinary shares Long position	11.76%

Save as disclosed above, as at 30 June 2015, so far as is known to the Directors, there was no person 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 EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this announcement, as at 30 June 2015, 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 executives 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's 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 with all Directors, the Company confirms that all 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 three months ended 30 June 2015.

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 three months ended 30 June 2015.

COMPETING INTERESTS

None of the Directors nor the substantial 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.

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. Investors may refer to the corporate governance report of the Group in its annual report for the year ended 31 March 2015 for details of the Group's corporate governance practices.

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. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejun , all being independent non-executive Directors. The Group's unaudited results for the three months ended 30 June 2015 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the relevant legal and regulatory requirements, and that adequate disclosures have been made.

By order of the Board

Ma Yuanguang

Chairman

Hong Kong, 12 August 2015

As at the date of this announcement, the executive Directors are Mr. Ma Yuanguang, Mr. Hu Tiejun and Mr. Lo Kam Hon, Gary; the non-executive Director is Mr. Wing Kee Eng, Lee; and the independent non-executive Directors are Mr. Liu Kejun, Professor Lu Ting Jie and Mr. Leung Kwok Keung.