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INTERNATIONAL ELITE LTD.

精英國際有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock code: 1328)



國聯通信

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)

Honor Crest Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

**(1) PROPOSED SUBSCRIPTION OF THE
SUBSCRIPTION SHARES BY THE SUBSCRIBER;**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
CHINA GALAXY**



中國銀河國際

CHINA GALAXY INTERNATIONAL

**FOR AND ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES IN GLCH
(OTHER THAN THOSE ALREADY OWNED BY
OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT);**

**(3) CONNECTED TRANSACTION AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL FOR GLCH;**

(4) MAJOR TRANSACTION FOR IEL;

(5) RESUMPTION OF TRADING IN THE SHARES OF GLCH;

AND

(6) RESUMPTION OF TRADING IN THE SHARES OF IEL

Financial Adviser to the Offeror and IEL



THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement dated 27 February 2016, the Subscriber, a direct and wholly-owned subsidiary of IEL, has conditionally agreed to subscribe for, and GLCH has conditionally agreed to allot and issue, 1,000,000,000 Subscription Shares at a subscription price of HK\$0.08 per Subscription Share. The Subscription Shares represent (i) approximately 91.84% of the existing issued share capital of GLCH as at the date of this joint announcement; and (ii) approximately 47.87% of the issued share capital of GLCH as enlarged by the allotment and issue of the Subscription Shares (assuming none of the outstanding Warrants have been exercised). The net proceeds of the Subscription are estimated to be approximately HK\$79.0 million which will be used as set out under the paragraph headed “The Subscription Agreement – use of proceeds” of this joint announcement. The Subscription Agreement is conditional upon the satisfaction or waiver of a number of conditions as set out under the paragraph headed “The Subscription Agreement – Conditions precedent” of this joint announcement.

The Subscription Shares will be issued under a specific mandate to be sought at the EGM and is therefore subject to Shareholders’ approval. Application will be made by GLCH to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the entering into of the Subscription Agreement, IEL, the holding company of the Offeror, is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH as at the date of this joint announcement. Immediately after Completion, the Offeror and the parties acting in concert with it will be interested in 1,128,000,000 Shares, representing approximately 54.00% of the entire issued share capital of GLCH as enlarged by the allotment and issue of the Subscription Shares (assuming none of the outstanding Warrants have been exercised).

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer, when made, will be unconditional in all respects.

China Galaxy will, on behalf of the Offeror, make the Offer in accordance with the Takeovers Code on the following terms:

For every Offer Share accepted under the Offer HK\$0.08 in cash

As at the date of this joint announcement, there are 1,088,807,500 Shares in issue and 186,000,000 outstanding Warrants. Each of the holders of the Warrants has executed an irrevocable undertaking to the Offeror and GLCH not to exercise the subscription rights attached to the Warrants and not to transfer, dispose of or otherwise deal in the Warrants before the close of the Offer, and not to accept the mandatory cash offer for the outstanding Warrants if there is any or otherwise make the Warrants available for acceptance under the Offer. As such, the Offer will not be extended to the holders of the Warrants. Save for the Warrants, GLCH has no other outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

As the Offeror and the parties acting in concert with it will own 1,128,000,000 Shares immediately after the Completion and assuming that there is no change in the issued share capital of GLCH prior to the close of the Offer, 960,807,500 Shares will be subject to the Offer and the total consideration of the Offer would be approximately HK\$77,000,000 based on the Offer Price and on the basis of full acceptances of the Offer.

The principal terms of the Offer are set out under the section headed “Possible Unconditional Mandatory Cash Offer” of this joint announcement.

China Galaxy has been appointed as the financial adviser to IEL and the Subscriber in respect of the Subscription and the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

GENERAL

The Independent Board Committee (the Offer), comprising all the non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Wing Kee Eng, Lee, Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejun has been established to make a recommendation (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

An Independent Financial Adviser will be appointed by GLCH as the independent financial adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee (the Offer) in respect of the Offer and in particular (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

It is the intention of the Offeror and GLCH to combine the offer document with the Board circular from GLCH in the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee (the Offer) to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee (the Offer) in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such other date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code. As the making of the Offer is conditional on Completion, an application will be made to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to be within seven days after Completion or 14 September 2016, whichever is earlier.

CONNECTED TRANSACTION AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL FOR GLCH

As at the date of this joint announcement, the Subscriber is directly and wholly-owned by IEL. Given that IEL is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH as at the date of this joint announcement, IEL is a substantial shareholder of GLCH. As such, the Subscriber is regarded as an associate of IEL and thus a connected person to GLCH under Chapter 20 of the GEM Listing Rules. As a result, the Subscription constitutes a non-exempt connected transaction on the part of GLCH under the GEM Listing Rules and is subject to the announcement, reporting and Independent Shareholders' approval requirements pursuant to the GEM Listing Rules.

The Independent Board Committee (the Connected Transaction), comprising all the independent non-executive Directors, namely Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejun has been established to advise the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee (the Connected Transaction) and the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder.

As at the date of this joint announcement, the existing authorised share capital of GLCH is HK\$20,000,000 divided into 2,000,000,000 Shares, of which 1,088,807,500 Shares were in issue. In light of the Subscription and in order to accommodate future expansion and growth of GLCH and to provide GLCH with greater flexibility to raise funds by allotting and issuing Shares in the future as and when necessary, the Board proposes to increase the authorised share capital of GLCH to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 Shares which shall rank equally with each other in all respects. The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder, including the specific mandate for the allotment and issue of the Subscription Shares and the Increase in Authorised Share Capital.

A circular containing, among other things, (i) further information on the Subscription Agreement and the transactions contemplated thereunder; (ii) further details about the Increase in Authorised Share Capital; (iii) the recommendation of the Independent Board Committee (the Connected Transaction) to the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing their advice to the Independent Board Committee (the Connected Transaction) and the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder; and (v) the notice convening the EGM is expected to be despatched to the Shareholders on or before 21 March 2016.

MAJOR TRANSACTION FOR IEL

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription and the Offer (on an aggregate basis) are more than 25% but less than 100%, the Subscription and the Offer together constitute a major transaction on the part of IEL under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirements of IEL under the Listing Rules.

IEL has obtained a written approval for the Subscription and the Offer in accordance with Rule 14.44 of the Listing Rules from closely allied group of shareholders of IEL comprising Mr. Li Kin Shing, Ms. Kwok King Wa and Ever Prosper International Limited, which together are beneficially interested in an aggregate of 6,324,900,000 shares of IEL, representing approximately 69.63% of the issued share capital of IEL as at the date of this joint announcement. No shareholder of IEL is required to abstain from voting if an extraordinary general meeting is convened to approve the Subscription and the Offer. As such, no extraordinary general meeting will be convened for the purpose of approving the Subscription and the Offer as permitted under Rule 14.44 of the Listing Rules.

A circular of IEL containing, amongst others, further information about the Subscription and the Offer will be despatched to the shareholders of IEL on or before 21 March 2016.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES AND THE IEL SHARES

At the request of GLCH, trading in the Shares on GEM was suspended with effect from 9:00 a.m. on 29 February 2016 pending the release of this joint announcement. An application has been made by GLCH to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:00 a.m. on 1 March 2016.

In addition, at the request of IEL, trading in the IEL Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 29 February 2016 pending the release of this joint announcement. An application has been made by IEL to the Stock Exchange for the resumption of trading in the IEL Shares on the Stock Exchange with effect from 9:00 a.m. on 1 March 2016.

WARNING

The Offer is a possibility only. Shareholders, shareholders of IEL and potential investors should be aware and take note that the Subscription Agreement is conditional upon the satisfaction or waiver of a number of conditions as set out under the paragraph headed “The Subscription Agreement – Conditions precedent” of this joint announcement and the Offer is subject to the Completion. Accordingly, the Subscription may or may not proceed and the Offer may or may not be made. Shareholders, shareholders of IEL and potential investors are advised to exercise caution when dealings in the securities of GLCH or IEL (as the case may be) during the Offer Period, and if they are in any doubt about their position, they should consult their professional advisers.

THE SUBSCRIPTION AGREEMENT

On 27 February 2016, the Subscriber and GLCH entered into the Subscription Agreement. The principal terms of the Subscription Agreement are summarised below.

Date

27 February 2016

Parties

Issuer : GLCH

Subscriber : Honor Crest Holdings Limited, which is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of IEL.

IEL is an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange. IEL, through its subsidiaries, is a customer relationship management outsourcing service provider which principally engages in the provision of inbound and outbound services to companies in various service-oriented industries and the research and development, production and sales of RF-SIM products and the licensing of RF-SIM operation rights in markets other than Hong Kong and Macau as well as the research and development and technology transfer of CA-SIM application right to customer. As at the date of this joint announcement, IEL is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH. Therefore, IEL is a substantial shareholder of GLCH and thus a connected person of GLCH.

Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and GLCH has conditionally agreed to allot and issue, 1,000,000,000 Subscription Shares at a subscription price of HK\$0.08 per Subscription Share.

The aggregate of 1,000,000,000 Subscription Shares, represent (i) approximately 91.84% of the existing issued share capital of GLCH as at the date of this joint announcement; and (ii) approximately 47.87% of the issued share capital of GLCH as enlarged by the allotment and issue of the Subscription Shares (assuming none of the outstanding Warrants have been exercised). The aggregate nominal value of 1,000,000,000 Subscription Shares is HK\$10,000,000.

The Subscription Shares, when allotted and issued, will rank equally in all respects with each other and the Shares in issue on the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by GLCH on or after the date of allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to a specific mandate to be sought from the Independent Shareholders at the EGM.

Application will be made by GLCH to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Subscription Price

The gross amount of the Subscription is HK\$80,000,000, equivalent to HK\$0.08 per Subscription Share, which was determined after arm's length negotiations between GLCH and the Subscriber and with reference to, among other things, (i) the price performance of the Shares prior to the Last Trading Day; (ii) the latest published consolidated net asset value per Share of GLCH; and (iii) the financial performance of GLCH Group.

Conditions precedent

Completion is conditional upon fulfilment of the following conditions precedent:

- (i) the Listing Committee of GEM granting listing of, and permission to deal in, the Subscription Shares;
- (ii) trading in the Shares on the GEM not being suspended for a period of more than seven consecutive trading days in the period of 21 days immediately preceding completion of the Subscription excluding any suspension for the purposes of clearing any announcement and circular in relation to the Subscription and/or the Offer by the regulatory authorities;
- (iii) trading in the Shares on GEM not being revoked or withdrawn at any time prior to completion of the Subscription;
- (iv) there being no indication being received from the Stock Exchange or the SFC that the listing of the Shares on GEM will be suspended, revoked or withdrawn at any time after completion of the Subscription, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (v) the warranties given by GLCH remaining true, accurate in all material respects;
- (vi) all necessary consents and approvals as may be required to be obtained on the part of GLCH in respect of the Subscription and the transactions contemplated under the Subscription Agreement having been obtained by GLCH;
- (vii) the passing by the Shareholders (other than those prohibited from voting under the GEM Listing Rules and/or the Takeovers Code, if applicable) of all necessary resolutions at the EGM approving the Subscription Agreement and the transactions contemplated thereunder including (but not limited to) the allotment and issue of the Subscription Shares in accordance with the terms of the Subscription Agreement;

- (viii) the passing by the Shareholders of all necessary resolutions at the EGM approving the Increase in Authorised Share Capital;
- (ix) all necessary consents and approvals as may be required to be obtained on the part of IEL in respect of the Subscription and the transactions contemplated under the Subscription Agreement and the Offer having been obtained by IEL; and
- (x) the passing by the shareholders of IEL of all necessary resolutions approving the Subscription Agreement and the transactions contemplated thereunder and the Offer in accordance with the requirements under the Listing Rules.

The Subscriber may at any time by notice in writing to GLCH waive the conditions in paragraphs (ii), (iii), (iv) and/or (v) as set out above. The conditions set out in paragraphs (i), (vi), (vii), (viii), (ix) and (x) as set out above are incapable of being waived by GLCH and the Subscriber.

In the event that the conditions of the Subscription Agreement as set out above are not fulfilled or waived by on 31 August 2016 (or such other time and date as may be agreed between GLCH and the Subscriber in writing), the Subscription Agreement shall cease and determine and thereafter, neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the provisions thereof.

Completion

Subject to the conditions of the Subscription Agreement being fulfilled or, as the case may be, waived by the Subscriber, completion of the Subscription Agreement will take place on the Completion Date.

Undertaking

As at the date of this joint announcement, there are four holders of the Warrants, which together holds an aggregate of 186,000,000 Warrants. Each of the holders of the Warrants has executed an irrevocable undertaking to the Offeror and GLCH not to exercise the subscription rights attached to the Warrants and not to transfer, dispose of or otherwise deal in the Warrants before the close of the Offer, and not to accept the mandatory cash offer for the outstanding Warrants if there is any or otherwise make the Warrants available for acceptance under the Offer.

Use of proceeds

The gross proceeds of the Subscription will amount to HK\$80.0 million. The net proceeds of the subscription are estimated to be approximately HK\$79.0 million, and as such, the net price of each Subscription Share is approximately HK\$0.079. It is intended that the net proceeds will be deployed as follows:-

- approximately HK\$30.0 million, or 38% of the net proceeds, for GLCH's existing train information system solutions for urban rail transit business, mainly for the execution of the newly signed order contracts of a number of new lines projects in several cities in the PRC;
- approximately HK\$41.1 million, or 52% of the net proceeds, for the development of the "Smart City" project by using GLCH's existing CA-SIM technology, mainly for staff hiring, development of relevant management system platform and gradual roll out of the mobile apps and value-added services to target users; and
- approximately HK\$7.9 million, or 10% of the net proceeds, as general working capital and for future investments if opportunity arises. GLCH has not identified any specific acquisition targets as at the date of this joint announcement.

Fund raising activities of GLCH

GLCH had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this joint announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the entering into of the Subscription Agreement, IEL, the holding company of the Offeror, is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH as at the date of this joint announcement. Immediately after Completion, the Offeror and the parties acting in concert with it will be interested in 1,128,000,000 Shares, representing approximately 54.0% of the entire issued share capital of GLCH as enlarged by the allotment and issue of the Subscription Shares (assuming none of the outstanding Warrants have been exercised).

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer, when made, will be unconditional in all respects.

As at the date of this joint announcement, there are 1,088,807,500 Shares in issue and 186,000,000 outstanding Warrants. Each of the holders of the Warrants has executed an irrevocable undertaking to the Offeror and GLCH not to exercise the subscription rights attached to the Warrants and not to transfer, dispose of or otherwise deal in the Warrants before the close of the Offer, and not to accept the mandatory cash offer for the outstanding Warrants if there is any or otherwise make the Warrants available for acceptance under the Offer. As such, the Offer will not be extended to the holders of the Warrants. Save for the Warrants, GLCH has no other outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

Principal terms of the Offer

China Galaxy will, on behalf of the Offeror, make the Offer in accordance with the Takeovers Code on the following terms:

For every Offer Share accepted under the Offer HK\$0.08 in cash

The Offer Price of HK\$0.08 per Offer Share is the same as the Subscription Price pursuant to the Subscription Agreement and was determined after arm's length negotiations between the Offeror and GLCH.

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Completion Date, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date.

Comparison of value

The Offer Price of HK\$0.08 is equal to the Subscription Price under the Subscription Agreement and represents:

- (i) a discount of approximately 46.31% to the closing price of HK\$0.149 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.95% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.148 per Share;

- (iii) a discount of approximately 47.71% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of approximately HK\$0.153 per Share;
- (iv) a discount of approximately 49.37% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.158 per Share;
- (v) a discount of approximately 59.39% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.197 per Share; and
- (vi) a premium of approximately 14.29% over the unaudited consolidated net asset value of approximately HK\$0.07 per Share as at 30 September 2015 (based on the unaudited consolidated statement of financial position of GLCH as at 30 September 2015 and the number of Shares in issue as at the date of this joint announcement).

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement up to and including the Last Trading Day were HK\$0.265 per Share (on 9 October 2015) and HK\$0.145 per Share (on 23 February 2016) respectively.

The outstanding Warrants

As at the date of this joint announcement, there are 186,000,000 outstanding Warrants, each entitles the holder thereof to subscribe for one Warrant Share at the initial subscription price of HK\$0.21 per Warrant Share at any time during a period of 36 months commencing from 12 August 2014, being the date of issue of the Warrants. Each of the holders of the Warrants has executed an irrevocable undertaking to the Offeror and GLCH not to exercise the subscription rights attached to the Warrants and not to transfer, dispose of or otherwise deal in the Warrants before the close of the Offer, and not to accept the mandatory cash offer for the outstanding Warrants if there is any or otherwise make the Warrants available for acceptance under the Offer. As such, the Offer will not be extended to the holders of the Warrants.

Value of the Offer

As the Offeror and the parties acting in concert with it will own 1,128,000,000 Shares immediately after the Completion and assuming that there is no change in the issued share capital of GLCH prior to the close of the Offer, 960,807,500 Shares will be subject to the Offer and the total consideration of the Offer would be approximately HK\$77,000,000 based on the Offer Price and on the basis of full acceptances of the Offer.

Financial resources available to the Offeror

The financial resources required from the Offeror to satisfy the total consideration of the Offer amount to approximately HK\$77,000,000. The Offeror intends to finance the total consideration for the Offer by internal resources.

China Galaxy has been appointed as the financial adviser to IEL and the Subscriber in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as practicable but in any event within seven business days (as defined under the Takeovers Code) of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid, whichever is later.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Completion Date, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date.

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Offer are free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Completion Date, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares as determinate by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 111 of the laws of Hong Kong) or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 111 of the laws of Hong Kong).

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, GLCH, China Galaxy and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction).

Any acceptance by any Independent Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with. The Independent Shareholders should consult their professional advisers if in doubt.

Dealings and interests in GLCH's securities

Save for the Subscription, none of the Offeror nor parties acting in concert with it has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares during the six-month period prior to the date of this joint announcement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in GLCH nor have any of its members borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in GLCH. As at the date of this joint announcement, save for the 128,000,000 Shares held by IEL, the holding company of the Subscriber, the Offeror and parties acting in concert with it do not hold, own or control any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares.

Other arrangements

As at the date of this joint announcement, (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer; (ii) save for the Subscription Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; (iii) none of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offer; and (iv) none of the Offeror nor parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in GLCH.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee (the Offer) and the recommendation from the Independent Board Committee (the Offer) to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

SHAREHOLDING STRUCTURE OF GLCH

Set out below are the shareholding structure of GLCH (i) immediately before the Completion and as at the date of this joint announcement; and (ii) immediately following the Completion (assuming none of the outstanding Warrants have been exercised):

<i>Shareholders</i>	Immediately before Completion and as at the date of this joint announcement		Immediately following Completion (assuming none of the outstanding Warrants have been exercised)	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Directors				
Mr. Ma Yuanguang	255,121,200	23.43%	255,121,200	12.21%
Mr. Lo Kam Hon, Gary	120,000	0.01%	120,000	0.01%
Mr. Hu Tiejun	833,000	0.08%	833,000	0.04%
Professor Lu Ting Jie	833,000	0.08%	833,000	0.04%
	<u>256,907,200</u>	<u>23.60%</u>	<u>256,907,200</u>	<u>12.30%</u>
Subscriber/Offeror and parties acting in concert with it				
IEL	128,000,000	11.76%	128,000,000	6.13%
The Subscriber/Offeror (Note 1)	<u>–</u>	<u>–</u>	<u>1,000,000,000</u>	<u>47.87%</u>
	128,000,000	11.76%	1,128,000,000	54.00%
Public Shareholders	<u>703,900,300</u>	<u>64.65%</u>	<u>703,900,300</u>	<u>33.70%</u>
Total	<u>1,088,807,500</u>	<u>100.0%</u>	<u>2,088,807,500</u>	<u>100.0%</u>

Note:

- The Subscriber is a direct wholly-owned subsidiary of IEL, which is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange.

As at the date of this joint announcement, apart from the Warrants, GLCH has no other outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

INFORMATION ON THE OFFEROR

The Subscriber is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of IEL, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (stock code: 1328). IEL, through its subsidiaries, is a customer relationship management outsourcing service provider which principally engages in the provision of inbound and outbound services to companies in various service-oriented industries and the research and development, production and sales of RF-SIM products and the licensing of RF-SIM operation rights in markets other than Hong Kong and Macau as well as the research and development and technology transfer of CA-SIM application right to customers.

INFORMATION ON GLCH GROUP

GLCH is an investment holding company incorporated in the Cayman Islands and through its subsidiaries, is principally engaged in provision of train information systems, and development of various community mobile internet applications and related services through the licensed utilization of the CA-SIM patented technology.

The following table is a summary of certain consolidated financial information of GLCH Group for the two financial years ended 31 March 2014 and 31 March 2015, for the six months ended 30 September 2015 and for the nine months ended 31 December 2015.

	Year ended 31 March 2014	Year ended 31 March 2015	Six months ended 30 September 2015	Nine months ended 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	68,133	75,427	20,589	37,984
(Loss) before taxation	(53,042)	(41,926)	(9,993)	(13,208)
(Loss) after taxation attributable to equity shareholders of GLCH	(56,809)	(42,462)	(9,993)	(13,208)

The unaudited net assets value attributable to equity shareholders of GLCH as at 30 September 2015 was approximately HK\$76,029,000.

Further financial information of GLCH Group will be set out in the Composite Document to be despatched to the Independent Shareholders.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE OFFER

As disclosed in the section headed “Information on GLCH Group” of this joint announcement, GLCH has recorded loss since the financial year ended 31 March 2014. For the nine months ended 31 December 2015, GLCH Group recorded loss for the period attributable to equity shareholders of GLCH of approximately HK\$13.2 million, which is more than three times of the loss for the corresponding period in 2014. For the six months ended 30 September 2015, GLCH had net cash used in operating activities of approximately HK\$5.1 million. The cash and bank balances of GLCH Group as at 30 September 2015 were approximately HK\$12.6 million.

According to the interim report of GLCH for the six months ended 30 September 2015, GLCH Group recorded decline in revenue by approximately 53% as compared with the corresponding period in 2014 due to the postponed delivery of equipment under the passenger information system supply contracts signed in the previous two years for the Shenzhen project, the Hangzhou project and the Ankara project in Turkey due to reasons of the project owners. Besides, train information systems under newly signed subway projects in cities including Guangzhou and Wuhan were pending delivery. In addition to decline in revenue, GLCH Group experienced higher material consumption rate during the period as a result of the decrease in sales prices of the products due to intense market competition, thus resulting in gross loss and net loss for the period. At the same time, the core business of GLCH Group, namely the train information system solutions for urban rail transit, had the chronic problem of a substantial amount of past-due receivables and expenses for the provision of warranty regarding post-sales services for an extended period of time, which had continuously imposed pressure to the operating cashflow of GLCH. According to the third quarterly report of GLCH for the nine months ended 31 December 2015, the revenue of GLCH Group for the three months ended 31 December 2015 has been improved due to increased sales of replacement items and enhancement in the speed of delivering passenger information system for Hangzhou Line 2, Shenzhen Line 1, Dongguan Line 2, Fuzhou Line and Guangzhou Line 7. Despite the improvement in sales, GLCH Group still recorded gross loss for the three months ended 31 December 2015 as the low price of goods delivered was unable to offset the research and development expenses and production costs incurred.

IEL, the holding company of the Offeror, is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH as at the date of this joint announcement. As stated in the announcement of IEL dated 23 December 2014, IEL entered into the Assignment with GLCH on 23 December 2014, pursuant to which IEL has agreed to assign the Application Rights to GLCH and its subsidiaries throughout the Territory for a consideration of HK\$32,000,000, which has been satisfied by GLCH by the allotment and issue of 128,000,000 Shares currently held by IEL. Pursuant to the Assignment, IEL is the proprietor of the CA-SIM and has agreed to assign to GLCH and its subsidiaries its sole and exclusive right for certain applications of the CA-SIM throughout the Territory on the terms and conditions set out in the Assignment. As stated in the interim report of GLCH for the six months ended 30 September 2015, GLCH Group continued to use the CA-SIM technology patents to collaborate with the local government in carrying out information management in the Territory regarding the real-name system for temporary migrant population. During the six months ended 30 September 2015, GLCH Group undertook substantive work in relation to the planning towards a “Smart City” by the local government and information collection, management, services and future long-term operation and maintenance of the project. In order to achieve full range adaptability and scalability in the application of the system, GLCH has set up the system and the terminals, network and other components innovatively based on government requirements by paying close attention to the actual circumstances of using the system, the outcome of which has satisfied the requirements of all parties. As stated in the third quarterly report of GLCH for the nine months ended 31 December 2015, GLCH Group has delivered the mobile online apps and value-added services to some of the target users during the three months ended 31 December 2015 and it is expected that the outstanding application experience will acquire more users.

Since the Ministry of Housing and Urban-Rural Development of the PRC published the Notice of Developing National Smart City Pilots in December 2012, there have been 290 national “Smart City” pilots. In 2015, the PRC government has introduced a number of measures, including Guidance Letter to “Internet +” Development, “Made-in-China 2025”, Platform to Promote Development of Big Data, Promoting Innovative Development of Cloud Computing, Green Data Center Pilots, etc. Besides, during the period of 13th Five-Year Planning (2016-2020), the economic development of the PRC is expected to be in “new normal” pattern and is exploring new dynamics. Driven by the implementation of these measures, “Smart City” is the best combination of new urbanization and information technology, and will support the local governments to accelerate technology innovation, transform the development model and promote optimization and upgrading of economy structure. In 2015, the National Development and Reform Commission of the PRC, the Ministry of Finance of the PRC and local governments cooperatively introduced relevant policies to build the Public-Private-Partnership (“PPP”) model as an important investment and financing model to construct “Smart Cities”. In December 2015, the investment amount of demonstrated and recommended PPP projects nationwide has reached approximately RMB4.95 trillion. Therefore, there is ample room for growth and opportunities for the “Smart City” Business of GLCH Group.

In view of the above, it is the intention of the Offeror, together with IEL, to further increase its shareholding in GLCH by acquiring majority voting rights in GLCH upon Completion, being not less than 51% of the enlarged issued share capital of GLCH, through the Subscription as (i) the Offeror considers it is more effective for it to push forward and execute business plans and strategies to improve and develop the existing businesses of GLCH, in particular the development of the “Smart City” by using the CA-SIM technology assigned by IEL; and (ii) the Subscription will provide immediate cash for GLCH to improve its liquidity and financial position, in particular, the working capital and cash flow position of GLCH Group.

Taking into account that (i) the Subscription Price represents a premium of approximately 14.29% over the unaudited consolidated net asset value per Share as at 30 September 2015 and the consolidated net asset value per Share will be enhanced as a result of the Subscription; (ii) GLCH Group is experiencing declining financial performance, net loss, negative operating cashflow as well as substantial amount of past-due receivables; (iii) it is difficult for GLCH Group to have debt financing due to the lack of assets for pledge; (iv) the existing business cooperation between GLCH and IEL in relation to the CA-SIM technology patents; and (v) the abovementioned reasons and intentions of the Offeror for the Subscription, the Directors (excluding the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) consider that the Subscription Agreement is entered into on normal commercial terms and the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of GLCH and Shareholders as a whole.

Taking into account that (i) IEL will acquire absolute control in GLCH upon Completion which facilitates IEL to push forward and execute business plans and strategies of GLCH; (ii) IEL can leverage its knowledge on CA-SIM technology to further improve and develop the “Smart City” business of GLCH Group with promising prospect and growth potential as discussed above; and (iii) the Subscription Price represents discount to the prevailing market price of the Shares, the board of directors of IEL is of the view that the terms of the Subscription Agreement are fair and reasonable and are on normal commercial terms and that the Subscription and the Offer are in the interests of IEL and the shareholders of IEL as a whole.

OFFEROR'S INTENTION ON GLCH GROUP

It is the intention of the Offeror to continue with the existing principal businesses of GLCH Group. The Offeror will conduct a more detailed review on the operations of GLCH Group with a view to formulate a suitable business strategy for GLCH and will explore other business opportunities and consider whether any assets and/or business acquisitions by GLCH Group will be appropriate in order to enhance its growth. As at the date of this joint announcement, the Offeror has no intention or concrete plans for any acquisition or disposal of assets and/or business by GLCH Group and has no intention to (i) discontinue the employment of any employees of GLCH Group (save for a change in the composition of the Board as discussed below); (ii) redeploy the fixed assets of GLCH Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of GLCH.

PROPOSED CHANGE OF COMPOSITION OF THE BOARD

The Board is currently made up of seven Directors, comprising three executive Directors, namely Mr. Ma Yuanguang, Mr Hu Tiejun and Mr. Lo Kam Hon, Gary; one non-executive Director, namely Mr. Wing Kee Eng, Lee; and three independent non-executive Directors, namely Mr. Liu Kejin, Professor Lu Ting Jie, Mr. Leung Kwok Keung.

After the despatch of the Composite Document, the Offeror will nominate new Director(s) to the Board, representing a majority of the Board. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and a further announcement will be made accordingly.

MAINTENANCE OF THE LISTING STATUS OF GLCH

The Offeror intends to maintain the listing of the Shares on GEM after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon the close of the Offer, less than the minimum prescribed percentage applicable to GLCH, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares under the GEM Listing Rules.

GENERAL

Independent Board Committee (the Offer) and the Independent Financial Adviser

The Independent Board Committee (the Offer), comprising all the non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Wing Kee Eng, Lee, Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejin has been established to make a recommendation (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

An Independent Financial Adviser will be appointed by GLCH as the independent financial adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee (the Offer) in respect of the Offer and in particular (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

Despatch of the Offer Document

It is the intention of the Offeror and GLCH to combine the offer document with the Board circular from GLCH in the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee (the Offer) to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee (the Offer) in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such other date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code. As the making of the Offer is conditional on Completion, an application will be made to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to be within seven days after Completion or 14 September 2016, whichever is earlier.

Further announcement(s) regarding the despatch of the Composite Document will be made in due course. The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee (the Offer), and the recommendation from the Independent Board Committee (the Offer) to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Dealings Disclosure

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code and including persons holding 5% or more of any relevant securities) of GLCH and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of GLCH pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

CONNECTED TRANSACTION AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL FOR GLCH

As at the date of this joint announcement, the Subscriber is directly and wholly-owned by IEL. Given that IEL is interested in 128,000,000 Shares, representing approximately 11.76% of the entire issued share capital of GLCH as at the date of this joint announcement, IEL is a substantial shareholder of GLCH. As such, the Subscriber is regarded as an associate of IEL and thus a connected person to GLCH under Chapter 20 of the GEM Listing Rules. As a result, the Subscription constitutes a non-exempt connected transaction on the part of GLCH under the GEM Listing Rules and is subject to the announcement, reporting and Independent Shareholders’ approval requirements pursuant to the GEM Listing Rules.

The Independent Board Committee (the Connected Transaction), comprising all the independent non-executive Directors, namely Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejin has been established to advise the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee (the Connected Transaction) and the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder.

The existing authorised share capital of GLCH is HK\$20,000,000 divided into 2,000,000,000 Shares, of which 1,088,807,500 Shares were in issue. In light of the Subscription and in order to accommodate future expansion and growth of GLCH and to provide GLCH with greater flexibility to raise funds by allotting and issue Shares in the future as and when necessary, the Board proposes to increase the authorised share capital of GLCH to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 Shares which shall rank equally with each other in all respects. The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including the specific mandate for the allotment and issue of the Subscription Shares and the Increase in Authorised Share Capital.

A circular containing, among other things, (i) further information on the Subscription Agreement and the transactions contemplated thereunder; (ii) further details about the Increase in Authorised Share Capital; (iii) the recommendation of the Independent Board Committee (the Connected Transaction) to the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing their advice to the Independent Board Committee (the Connected Transaction) and the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder; and (v) the notice convening the EGM is expected to be despatched to the Shareholders on or before 21 March 2016.

MAJOR TRANSACTION FOR IEL

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription and the Offer (on an aggregate basis) are more than 25% but less than 100%, the Subscription and the Offer together constitute a major transaction on the part of IEL under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirements of IEL under the Listing Rules.

IEL has obtained a written approval for the Subscription and the Offer in accordance with Rule 14.44 of the Listing Rules from closely allied group of shareholders of IEL comprising allied group of shareholders of IEL comprising Mr. Li Kin Shing, Ms. Kwok King Wa and Ever Prosper International Limited, which together are beneficially interested in an aggregate of 6,324,900,000 shares of IEL, representing approximately 69.63% of the issued share capital of IEL as at the date of this joint announcement. No shareholder of IEL is required to abstain from voting if an extraordinary general meeting is convened to approve the Subscription and the Offer. As such, no extraordinary general meeting will be convened for the purpose of approving the Subscription and the Offer as permitted under Rule 14.44 of the Listing Rules.

A circular of IEL containing, amongst others, further information about the Subscription and the Offer will be despatched to the shareholders of IEL on or before 21 March 2016.

WARNING

The Offer is a possibility only. Shareholders, shareholders of IEL and potential investors should be aware and take note that the Subscription Agreement is conditional upon the satisfaction or waiver of a number of conditions as set out under the paragraph headed “The Subscription Agreement – Conditions precedent” of this joint announcement and the Offer is subject to the completion of the Subscription Agreement. Accordingly, the Subscription may or may not proceed and the Offer may or may not be made. Shareholders, shareholders of IEL and potential investors are advised to exercise caution when dealing in the securities of GLCH or IEL (as the case may be) during the Offer Period, and if they are in any doubt about their position, they should consult their professional advisers.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES AND THE IEL SHARES

At the request of GLCH, trading in the Shares on GEM was suspended with effect from 9:00 a.m. on 29 February 2016 pending the release of this joint announcement. An application has been made by GLCH to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:00 a.m. on 1 March 2016.

In addition, at the request of IEL, trading in the IEL Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 29 February 2016 pending the release of this joint announcement. An application has been made by IEL to the Stock Exchange for the resumption of trading in the IEL Shares on the Stock Exchange with effect from 9:00 a.m. on 1 March 2016.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Application Rights”	the sole and exclusive right for certain application and use of the CA-SIM and the intellectual property right
“Assignment”	the assignment of application rights dated 23 December 2014 and entered into between GLCH and IEL in relation to the assignment of the Application Rights to GLCH and its subsidiaries throughout the Territory
“associates”	has the meaning ascribed to it under the Takeovers Code or the GEM Listing Rules (as appropriate)
“Board”	the board of Directors from time to time
“Business Day”	the day(s) on which the Stock Exchange is open for the transaction of business
“BVI”	British Virgin Islands
“China Galaxy”	China Galaxy International Securities (Hong Kong) Co., Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the third Business Day after the date on which the conditions of the Subscription Agreement are fulfilled or, as the case may be, waived by the Subscriber

“Composite Document”	the formal composite offer document proposed to be jointly issued by the Offeror and GLCH to the Independent Shareholders in connection with the Offer and in accordance with the Takeovers Code
“Connected Person(s)”	the meaning ascribed thereto in the GEM Listing Rules
“Directors”	directors of GLCH from time to time
“EGM”	an extraordinary general meeting of GLCH to be held and convened for the purpose of approving, amongst other things, the Subscription and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares and the Increase in Authorised Share Capital or any adjournment thereof
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GLCH”	Global Link Communications Holdings Limited (stock code: 8060), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“GLCH Group”	GLCH and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IEL”	International Elite Ltd. (stock code: 1328), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“IEL Shares”	ordinary share(s) of HK\$0.01 each in the issued share capital of IEL

“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of GLCH from HK\$20,000,000 divided into 2,000,000,000 to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 Shares
“Independent Board Committee (the Connected Transaction)”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejin has been established to advise the Independent Shareholders regarding the terms of the Subscription Agreement and the transactions contemplated thereunder
“Independent Board Committee (the Offer)”	the independent committee of the Board comprising all the non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Wing Kee Eng, Lee, Mr. Leung Kwok Keung, Professor Lu Ting Jie and Mr. Liu Kejin has been established to make a recommendation (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer
“Independent Financial Adviser”	the independent financial adviser to (a) the Independent Board Committee (the Offer) in relation to the terms of the Offer and in particular (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer; and (b) the Independent Board Committee (the Connected Transaction) and the Independent Shareholders in relation to the terms of the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Independent Third Parties”	the parties who, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, are independent of and not connected with any of the Director(s), chief executive(s) of GLCH or substantial Shareholder(s) or any of the subsidiaries or their respective associate(s)

“Last Trading Day”	26 February 2016, being the last full trading day of the Shares immediately prior to the suspension in trading of the Shares on the Stock Exchange pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the unconditional mandatory cash offer to be made by China Galaxy on behalf of the Offeror, for all the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) on the terms to be set out in the Composite Document
“Offer Period”	the period commencing from the date of this joint announcement until the latest of: (i) the date when the Offer closed for acceptances; (ii) the date when the Offer lapses; (iii) the time when the Offeror announces that the Offer will not proceed; and (iv) the date when an announcement is made by the Offeror of the withdrawal of the Offer
“Offer Price”	the price at which the Offer will be made, being HK\$0.08 per Offer Share
“Offer Share(s)”	issued Share(s) and Shares which may be issued by GLCH following the date of this joint announcement, other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it and “Offer Share” means any of them
“Offeror” or “Subscriber”	Honor Crest Holdings Limited, a company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of IEL
“Overseas Shareholder(s)”	Independent Shareholder(s) whose addresses, as shown on the register of members of GLCH, are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Regions of PRC and Taiwan

“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of GLCH
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Subscriber for, and the allotment and issue by GLCH of, the Subscription Shares under the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 27 February 2016 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Share(s)”	1,000,000,000 Shares for which the Subscriber will subscribe for and GLCH will allot and issue under the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Takeovers Code”	the Code on Takeovers and Mergers
“Territory”	Panyu Region, Guangdong Province, the PRC
“Trading Day”	means a day on which securities can be freely traded on the Stock Exchange during whole of the normal trading hours of the Stock Exchange regardless of whether any trades actually occur
“Warrants”	186,000,000 unlisted warrants issued by GLCH on 12 August 2014 at the issue price of HK\$0.001, which entitles the holder thereof to subscribe for one Warrant Share at the initial subscription price of HK\$0.21 per Warrant Share at any time during a period of 36 months commencing from the date of issue of the Warrants

“Warrant Shares” up to initially an aggregate of 186,000,000 new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the board of directors of
International Elite Ltd.
Li Kin Shing
Chairman

By order of the Board of
Global Link Communications
Holdings Limited
Ma Yuanguang
Chairman

For and on behalf of
Honor Crest Holdings Limited
Li Kin Shing
Director

Hong Kong, 29 February 2016

As at the date of this announcement, the board of directors of IEL comprises (i) four executive directors, namely Mr. Li Kin Shing, Ms. Li Yin, Mr. Wong Kin Wa and Mr. Li Wen; and (ii) three independent non-executive directors, namely Mr. Chen Xue Dao, Mr. Cheung Sai Ming and Mr. Liu Chun Bao.

As at the date of this announcement, the directors of the Subscriber are Mr. Li Kin Shing and Mr. Wong Kin Wa.

As at the date of this joint announcement, the Board comprises (i) three executive Directors, namely Mr. Ma Yuanguang, Mr. Hu Tiejun and Mr. Lo Kam Hon, Gary; (ii) the non-executive Director, namely Mr. Wing Kee Eng, Lee and (iii) three independent non-executive Directors, namely Mr. Liu Kejun, Professor Lu Ting Jie and Mr. Leung Kwok Keung.

All directors of IEL jointly & severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to GLCH Group and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

All directors of the Subscriber jointly & severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to GLCH Group and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

This joint announcement, for which all Directors collectively and individually accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to IEL, the Offeror and parties acting in concert with it) in compliance with the GEM Listing Rules. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement 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 joint announcement misleading.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to IEL, the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

This joint 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 and on the website of GLCH at www.glink.hk.