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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)

FIRST QUARTERLY RESULT ANNOUNCEMENT 2009

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

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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 2009 was approximately HK\$11,290,000 representing a 5% increase from that of the Last Corresponding Period.

Profit attributable to equity shareholders of the Company of approximately HK\$1,729,000 representing approximately 208% increase from that of the Last Corresponding Period.

UNAUDITED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2009

The board of Directors (the “Board”) of Global Link Communications Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (“Global Link” or the “Group”) for the three months ended 30 June 2009 together with the unaudited comparative figures for the corresponding period in 2008 (“Last Corresponding Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2009

		For the three months ended 30 June	
		2009	2008
	<i>Note</i>	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue	2	11,290	10,745
Cost of sales		<u>(6,455)</u>	<u>(7,340)</u>
Gross profit		4,835	3,405
Other income		27	134
Selling expenses		(1,497)	(1,187)
Administrative expenses		(1,181)	(1,334)
Finance costs		<u>(3)</u>	<u>(2)</u>
Profit before tax		2,181	1,016
Income tax	3	<u>(452)</u>	<u>(454)</u>
Profit for the period		<u>1,729</u>	<u>562</u>
Attributable to:			
Equity holders of the Company		1,729	562
Minority interests		<u>—</u>	<u>—</u>
		<u>1,729</u>	<u>562</u>
Earnings per share (in HK cents)	5		
– Basic		<u>0.222</u>	<u>0.073</u>
– Diluted		<u>0.217</u>	<u>0.070</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 ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), 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 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

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the three months ended 30 June 2009 of the individual companies within the Group arising in Hong Kong. No provision for Hong Kong profits tax has been made as individual companies within the Group has no assessable profit for the three months ended 30 June 2009 (2008: Nil).

On 16 March 2007, the Fifth Session of the Tenth National People's Congress passed the PRC Enterprise Income Tax Law (the "New EIT Law"). Which has become effective from 1 January 2008. According to the New EIT Law, the Company's subsidiary, Guangzhou Global Link Communications Inc. ("Guangzhou GL") has been subject to the unified EIT rate of 25%. However, on 16 December 2008, Guangzhou GL was approved as a high and new technology enterprise and allowed a favorable EIT rate of 15% for three years. EIT tax charge for the three months ended 30 June 2009 was HK\$452,000 (2008: HK\$454,000).

There was no significant unprovided deferred taxation for the three months ended 30 June 2009.

4. DIVIDEND

The Board does not recommend an interim dividend for the three months ended 30 June 2009 (2008: Nil).

5. EARNINGS PER SHARE

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

	For the three months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to equity holders of the parent)	<u>1,729</u>	<u>562</u>
	Number of shares	
	For the three months	
	ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	777,474	769,696
Effect of dilutive potential ordinary shares:		
Shares issued for no consideration assuming exercise of share options	<u>18,851</u>	<u>30,940</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>796,325</u>	<u>800,636</u>

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Merger reserve (unaudited) HK\$'000 (note a)	Foreign currency translation reserve (unaudited) HK\$'000	Share option reserve (unaudited) HK\$'000	Accumulated losses (unaudited) HK\$'000	Statutory reserves (unaudited) HK\$'000 (note b)	Total (unaudited) HK\$'000
As at 1 April 2008	7,697	25,296	2,135	861	686	(12,394)	3,145	27,426
Profit for the period	-	-	-	-	-	562	-	562
Recognition of equity-settled share based payments	-	-	-	-	255	-	-	255
Transfer to statutory reserves	-	-	-	-	-	(147)	147	-
Exchange differences on translating foreign operations	-	-	-	1,118	-	-	-	1,118
As at 30 June 2008	<u>7,697</u>	<u>25,296</u>	<u>2,135</u>	<u>1,979</u>	<u>941</u>	<u>(11,979)</u>	<u>3,292</u>	<u>29,361</u>
As at 1 April 2009	7,775	25,498	2,135	1,979	1,195	(11,810)	3,583	30,355
Profit for the period	-	-	-	-	-	1,729	-	1,729
Transfer to statutory reserves	-	-	-	-	-	(256)	256	-
As at 30 June 2009	<u>7,775</u>	<u>25,498</u>	<u>2,135</u>	<u>1,979</u>	<u>1,195</u>	<u>(10,337)</u>	<u>3,839</u>	<u>32,084</u>

Note:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business review and outlook

During the period, the PRC government has increased investment in infrastructural projects together with loosen currency policy to ensure a stable development in domestic economy. The PRC government increased investment in the construction of underground railway in provincial capitals and core cities, as well as added more than 20 cities into the project and has started the construction of railway transportation between cities. The largest scale of new construction projects since the establishment of the PRC was invested in cities with better underground railway operation base including Beijing, Shanghai, Guangzhou and Tianjin. In the coming year, these cities will invite constructors for more than 20 new lines where some lines under construction will start operation soon. The Directors consider that large investment scale will bring huge demand and market prospect for related industries including train manufacturing, train equipment and train information system.

During the period under review, a continuous increase in quantity of train information system was delivered to Southern Group and the China Northern Locomotive and Rolling Stock Industry (Group) Corporation, for the use in Guangzhou Line 2 and Line 8, Shenzhen Line 3, Hong Kong Line 4 and the Mumbai Project. The Group designs and produces train information system for Wuhan Line 1, Guangzhou-Foshan Line and Xi'an Line 1. Focusing on the railway transportation construction demand from core cities, with the Group's advantage in domestic market share, the sales team actively develops the market and had technology and business exchanged with major train manufacturers and underground railway investors in related cities. New contracts and technology agreements in relation to train information system were signed with several cities.

To further elaborate the Group's advantageous resource and continuous development, the Group's subsidiary – Guangzhou Global Link Communications Inc., together with a party having technology and marketing strength, established a new subsidiary named “廣州國聯電力科技發展有限公司” with a registered capital of RMB1,800,000, where the Group holds 51% equity interest. The new subsidiary mainly engaged in research and development of electricity transmit and transform system protection product. Target customers are companies in the national electric power network. The products have now been in use by several cities' electricity departments. The Directors consider that the broad market will bring new growth opportunity for the Group.

The Group is now an equipment supplier in the railway transportation industry with influencing capability, as evidenced by its product quality and service reputation in the industry. To further develop its business, the Group was considering to ally with a company which owns the patent for RF-SIM (radio frequency – SIM cards). The Group has in depth communication with underground railway operators in several core cities, for the provision of RF-SIM service to customers. The Group will design several operation and service model for the new value-added services.

With the continuous growth in principal activities and the development in other project and product, the Directors consider that the Group will have its growth in multiple scale and bring its earnings to a new level.

Financial review

For the three months ended 30 June 2009, the Group's turnover was approximately HK\$11,290,000, which increased by around 5% as compared to last corresponding period. Gross profit of approximately HK\$4,835,000 was recorded, with gross profit margin increased from 32% in Last Corresponding Period to 43% whereas net profit attributable to equity shareholders of the Company was approximately HK\$1,729,000, more than a double increase from Last Corresponding Period.

During the period under review, to cope with the Group's development strategy, the Group continued to invest in research and development which enhanced the strength in respect of technology's research and development. Resulted from the effective control of the cost of train information system, gross profit margin was increased as compared to Last Corresponding Period. To conform with the PRC's "11th Five Year Plan" and the huge investment in the construction of railway transportation included in the 4,000 billion RMB revitalization plan, the Group has expanded market development for train information system and passenger information system. The Group also has technology and business exchange with major train manufacturers and underground railway investors in related cities which caused approximately 26% increase in selling expenses compared to Last Corresponding Period.

The decrease in administrative expenses is resulted from the control on expenses.

Saved as disclosed hereof, there were no material changes in respect of such matters since the publication of the Group's annual report for the year ended 31 March 2009.

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

As at 30 June 2009, so far is known to the Directors, the interests of the Directors and the chief executives of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors were as follows:

Name of director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Ma Yuanguang	Company	Beneficial owner	165,217,600 ordinary shares Long position	21.25%
		Beneficial owner	10,556,000 ordinary shares Long position (Note 1)	1.36%
Hu Zhi Jian	Company	Interest of controlled corporation	79,347,600 ordinary shares Long position (Note 2)	10.21%
		Beneficial owner	8,889,000 ordinary shares Long position (Note 1)	1.14%
Lo Kam Hon, Gary	Company	Beneficial owner	120,000 ordinary shares Long position	0.02%
Wing Kee Eng, Lee	Company	Beneficial owner	2,778,000 ordinary shares Long position (Note 1)	0.36%
Hu Tiejun	Company	Beneficial owner	833,000 ordinary shares Long position (Note 1)	0.11%
Lu Ting Jie	Company	Beneficial owner	833,000 ordinary shares Long position	0.11%

Note:

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

Save as disclosed above, as at 30 June 2009, so far is known to the Directors, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2009, so far is known to the Directors, the following person (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Name	Capacity	Class and number of securities	Approximate percentage of shareholding
Leung Kin Man Kenny	Beneficial owner	49,130,000 ordinary shares Long position	6.32%

Save as disclosed above, as at 30 June 2009, so far 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 2009, 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 of 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 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the member of the Group had purchased, sold or redeemed any of the shares of the Company during the three months ended 30 June 2009.

COMPETING INTERESTS

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

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 2009 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 has three members, namely Mr. Hu Tiejun, Professor Lu Ting Jie and Mr. Leung Kwok Keung, all being independent non-executive Directors. The Group's unaudited results for the three months ended 30 June 2009 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

By order of the Board

Ma Yuanguang

Chairman

Hong Kong, 12 August 2009

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

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