国联通信
Global Link

國聯通信控股有限公司
Global Link Communications Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8060)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2012

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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 of the Group for the year ended 31 March 2012 was approximately HK$79,357,000, representing a decrease of approximately 29%, as compared with that for the year ended 31 March 2011.

- Profit attributable to equity shareholders of the Company was approximately HK$13,373,000 for the year ended 31 March 2012.

- The board of the Directors does not recommend the payment of final dividend for the year ended 31 March 2012.

The board of directors (the “Directors”) of Global Link Communications Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2012 together with the audited comparative figures for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 HK$'000	2011 HK$'000
Revenue	*4*	**79,357**	111,474
Cost of sales		**(55,096)**	(62,943)
Gross profit		**24,261**	48,531
Other revenue and net income	*5*	**7,667**	1,448
Selling expenses		**(8,143)**	(7,539)
Administrative expenses		**(12,058)**	(10,319)
Finance costs	*6(a)*	**(315)**	(141)
Profit before taxation	*6*	**11,412**	31,980
Income tax	*8*	**1,353**	(4,133)
Profit for the year		**12,765**	27,847
Other comprehensive income:			
Exchange differences on translating foreign operations		**3,411**	3,846
Total comprehensive income for the year		**16,176**	31,693
Profit attributable to:			
Equity shareholders of the Company		**13,373**	29,262
Non-controlling interests		**(608)**	(1,415)
		12,765	27,847
Total comprehensive income attributable to:			
Equity shareholders of the Company		**16,796**	33,141
Non-controlling interests		**(620)**	(1,448)
		16,176	31,693
Earnings per share (in HK cents):			
– Basic	*10*	**1.40 cents**	3.25 cents
– Diluted	*10*	**1.39 cents**	3.23 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**2,893**	2,984
Deferred tax assets		**4,998**	–
		7,891	2,984
Current assets			
Inventories		**5,959**	8,251
Trade and other receivables	*11*	**86,380**	90,773
Deposits and prepayments		**15,061**	3,559
Cash and cash equivalents		**42,007**	44,418
		149,407	147,001
Current liabilities			
Interest-bearing borrowings – secured	*13*	**–**	10,925
Trade and other payables	*12*	**18,783**	19,513
Provision for taxation		**9,195**	6,504
		27,978	36,942
Net current assets		**121,429**	110,059
NET ASSETS		**129,320**	113,043
CAPITAL AND RESERVES			
Equity attributable to equity shareholders of the Company			
Share capital		**9,608**	9,580
Reserves		**122,179**	105,310
		131,787	114,890
Non-controlling interests		**(2,467)**	(1,847)
TOTAL EQUITY		**129,320**	113,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Attributable to equity shareholders of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Exchange reserve *HK$'000*	Share option reserve *HK$'000*	Retained profits *HK$'000*	Statutory reserves *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 April 2010	7,775	25,498	2,135	1,979	1,195	2,559	5,649	46,790	(399)	46,391
Profit for the year	–	–	–	–	–	29,262	–	29,262	(1,415)	27,847
Other comprehensive income										
Exchange differences on translating foreign operations	–	–	–	3,879	–	–	–	3,879	(33)	3,846
Total comprehensive income for the year	–	–	–	3,879	–	29,262	–	33,141	(1,448)	31,693
Issuance of shares by placing	1,550	34,100	–	–	–	–	–	35,650	–	35,650
Issuance of shares by exercising of share options	255	664	–	–	–	–	–	919	–	919
Issuing expenses in connection with placing	–	(1,610)	–	–	–	–	–	(1,610)	–	(1,610)
At 31 March 2011	9,580	58,652(#)	2,135(#)	5,858(#)	1,195(#)	31,821(#)	5,649(#)	114,890	(1,847)	113,043
At 1 April 2011	9,580	58,652	2,135	5,858	1,195	31,821	5,649	114,890	(1,847)	113,043
Profit for the year	–	–	–	–	–	13,373	–	13,373	(608)	12,765
Other comprehensive income										
Exchange differences on translating foreign operations	–	–	–	3,423	–	–	–	3,423	(12)	3,411
Total comprehensive income for the year	–	–	–	3,423	–	13,373	–	16,796	(620)	16,176
Transfer to reserve	–	–	–	–	–	(2,910)	2,910	–	–	–
Issuance of shares by exercising of share options	28	73	–	–	–	–	–	101	–	101
At 31 March 2012	**9,608**	**58,725(#)**	**2,135(#)**	**9,281(#)**	**1,195(#)**	**42,284(#)**	**8,559(#)**	**131,787**	**(2,467)**	**129,320**

(#) These accounts comprise the consolidated reserves of approximately HK$122,179,000 (2011: HK$105,310,000) in the consolidated statement of financial position.

Notes:

1. **GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 6-7F., No. 1037, Gaopu Road, Tianhe District, Guangzhou City, Guangdong Province, the People's Republic of China. The Company's shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

In the current year, the Group has applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior accounting periods and/or on the disclosures set out in these financial statements.

Improvements to HKFRSs issued in 2010

Improvements to HKFRSs issued in 2010 omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7 Financial instruments: Disclosures. The disclosures about the Group's and the Company's financial instruments have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

The Group has not applied any new and revised standard or interpretation that have been issued but are not yet effective for the current accounting period (see note 3).

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2012

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and Interpretations which are not yet effective for the year ended 31 March 2012 and which have not been adopted in these financial statements.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2015.
[4] Effective for annual periods beginning on or after 1 January 2012.
[5] Effective for annual periods beginning on or after 1 July 2012.
[6] Effective for annual periods beginning on or after 1 January 2014.

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE

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

	2012	2011
	HK$'000	*HK$'000*
Revenue from the supply, development and integration of message communication system, passenger information management system and electricity monitoring system	**79,357**	111,474

5. OTHER REVENUE AND NET INCOME

	2012	2011
	HK$'000	*HK$'000*
a) Other revenue		
Bank interest income	**410**	170
Total interest income on financial assets not at fair value through profit or loss	**410**	170
Refund on value-added tax	**4,264**	1,265
Write-back of trade payables	**2,343**	–
Other income	**284**	13
	7,301	1,448
b) Other net income		
Net exchange gain	**366**	–
	7,667	1,448

6. PROFIT BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
a) Finance costs		
Interest on bank borrowings wholly repayable within five years	**315**	141
Total interest expenses on financial liabilities not at fair value through profit or loss	**315**	141
b) Staff costs, including directors' emoluments		
Salaries and wages	**13,941**	11,458
Contributions to retirement benefit schemes	**1,368**	737
Provision for staff welfare benefits	**678**	320
	15,987	12,515

		2012 *HK$'000*	2011 *HK$'000*
c)	**Other items**		
	Auditors' remuneration	**338**	250
	Allowance for doubtful debts	**2,490**	1,187
	Cost of inventories sold*	**41,193**	53,798
	Research and development costs#	**10,929**	8,793
	Depreciation	**1,029**	751
	Loss on disposal of property, plant and equipment	**5**	142
	Exchange (gain)/loss	**(366)**	217
	Minimum lease payments under operating lease – land and buildings	**1,579**	1,249

* Cost of inventories sold includes HK$8,856,000 (2011: HK$6,295,000) relating to staff costs and depreciation expenses which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\# Research and development costs incurred for the year amounting to HK$10,929,000 (2011: HK$8,793,000) which was included in cost of sales.

7. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by board of directors of the Company, the chief operating decision-makers ("CODM") for the purposes of resource allocation and performance assessment. The Group's operating segments are organised and structured according to the geographical locations where the Group's customers are located. The geographical locations include the People's Republic of China (the "PRC") (place of domicile of the Group) and Hong Kong.

Segment revenue of PRC comprises the revenue from supply, development and integration of passenger information management system and electricity monitoring system while the segment revenue of Hong Kong comprises the revenue from supply, development and integration of message communication systems.

No reportable operating segment has been aggregated.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs e.g. directors' salaries, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation charge is not allocated to reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation attributable to those segments.

Sales between segments are carried out on arm's length basis. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

All assets are allocated to reportable segments. All liabilities are allocated to reportable segments other than current tax liabilities.

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2012 and 2011 is set out below.

	PRC		Hong Kong		Total	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue						
Inter-segment revenue	**–**	57	**363**	331	**363**	388
Revenue from external customers	**79,293**	110,223	**64**	1,251	**79,357**	111,474
	79,293	110,280	**427**	1,582	**79,720**	111,862
Reportable segment profit	**27,723**	48,357	**456**	174	**28,179**	48,531
Interest revenue	**153**	80	**257**	90	**410**	170
Interest expenses	**(315)**	(141)	**–**	–	**(315)**	(141)
Depreciation	**(920)**	(642)	**(109)**	(109)	**(1,029)**	(751)
Allowance for doubtful debts	**(2,490)**	(1,187)	**–**	–	**(2,490)**	(1,187)
Reportable segment assets	**129,802**	126,028	**24,797**	99,871	**154,599**	225,899
Reportable segment assets includes:						
Additions to non-current assets (other than financial instruments and deferred tax assets)	**925**	1,441	**–**	–	**925**	1,441
Reportable segment liabilities	**19,243**	34,585	**1,636**	82,919	**20,879**	117,504

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Total reportable segments' revenue	**79,720**	111,862
Elimination of inter-segment revenue	**(363)**	(388)
Consolidated turnover	**79,357**	111,474
Profit		
Total reportable segments' profit	**28,179**	48,531
Elimination of inter-segment profits	**–**	–
Reportable segment profit derived from Group's external customer	**28,179**	48,531
Bank interest income	**410**	170
Finance costs	**(315)**	(141)
Unallocated head office and corporate expenses	**(16,862)**	(16,580)
Consolidated profit before tax expenses	**11,412**	31,980
Assets		
Total reportable segments' assets	**154,599**	225,899
Elimination of inter-segment receivables	**(2,299)**	(75,914)
	152,300	149,985
Deferred tax assets	**4,998**	–
Consolidated total assets	**157,298**	149,985
Liabilities		
Total reportable segments' liabilities	**20,879**	117,504
Elimination of inter-segment payables	**(2,096)**	(87,066)
	18,783	30,438
Current tax liabilities	**9,195**	6,504
Consolidated total liabilities	**27,978**	36,942

c) **Revenue from major products and services**

The following is an analysis of the Group's revenue from its major products and services:

	2012	2011
	HK$'000	*HK$'000*
Supply, development and integration of message communication systems	**64**	1,767
Supply, development and integration of passenger information management system	**76,427**	107,943
Electricity monitoring system	**2,866**	1,764
	79,357	111,474

d) **Other geographical information**

	Non-current assets	
	2012	2011
	HK$'000	*HK$'000*
PRC	**2,653**	2,634
Hong Kong	**240**	350
	2,893	2,984

e) **Information about major customers**

Revenue from three (2011: three) customers in PRC operating and reportable segment amounted to approximately HK$37,035,000, HK$13,171,000 and HK$12,508,000 (2011: HK$65,316,000, HK$13,468,000 and HK$12,458,000), which individually represent more than 10% of the Group's total revenue.

No other single customer contributed 10% or more to the Group's revenue for both 2012 and 2011.

8. INCOME TAX

Income tax in the consolidated statement of comprehensive income represents:

	2012	2011
	HK$'000	*HK$'000*
Current year provision:		
PRC enterprise income tax	**3,645**	5,534
Over-provision in prior year:		
PRC enterprise income tax	**–**	(1,401)
Deferred taxation		
Origination and reversal of temporary differences	**(4,998)**	–
	(1,353)	4,133

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 year. (2011: Nil)

A PRC subsidiary, Guangzhou Global Link Communications Inc. ("Guangzhou GL") has been approved as a high and new technology enterprise and is entitled to a concessionary rate of Enterprise Income Tax ("EIT") at 15% until 22 August 2014.

Pursuant to the relevant laws and regulations applicable to newly established software production enterprises in the PRC, another PRC subsidiary, 廣州勝億交通信息軟件有限公司 ("勝億") was exempted from EIT for the year ended 31 December 2011, followed by a 50% reduction in the applicable tax rate of 25% for a period of 3 years from 1 January 2012. These tax concessions will expire after 31 December 2014.

Except for Guangzhou GL and 勝億 as mentioned above, another subsidiary located in the PRC is subject to the PRC EIT at rate of 25% (2011: 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.

Reconciliation between tax expenses and accounting profit at the applicable tax rates:

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation	**11,412**	31,980
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	**3,071**	7,880
Tax effect of profits entitled to tax exemption in the PRC	**(5,137)**	(3,697)
Tax effect of non-taxable income	**(294)**	(364)
Tax effect of non-deductible expenses	**223**	533
Tax effect of unused tax losses not recognised	**826**	1,196
Tax effect of utilisation of unused tax losses not recognised in prior years	**(94)**	–
Tax effect of temporary differences not recognised	**–**	10
Over-provision in prior years	**–**	(1,401)
Others	**52**	(24)
Tax expenses	**(1,353)**	4,133

9. DIVIDENDS

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of reporting period (2011: Nil).

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of approximately HK$13,373,000 (2011: HK$29,262,000) and the weighted average number of approximately 958,372,000 ordinary shares (2011: 900,903,000 ordinary shares) in issue during the year calculated as follows:

Weighted average number of ordinary shares

	2012	2011
	'000	*'000*
Issued ordinary shares at the beginning of the year	**958,030**	777,474
Effect of new shares issued	**–**	109,986
Effect of share options exercised	**342**	13,443
Weighted average number of ordinary shares at the end of the year	**958,372**	900,903

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of approximately HK$13,373,000 (2011: HK$29,262,000) and the weighted average number of ordinary shares of approximately 960,824,000 shares (2011: 906,462,000 shares) calculated as follows:

Weighted average number of ordinary shares (diluted)

	2012	2011
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**958,372**	900,903
Effect of deemed issue of shares under the Company's share option schemes for nil consideration	**2,452**	5,559
Weighted average number of ordinary shares (diluted) for the purpose of diluted earnings per share	**960,824**	906,462

11. TRADE AND OTHER RECEIVABLES

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Trade receivables and bills receivables	**89,207**	91,387
Less: allowance for doubtful debts	**(3,906)**	(1,667)
	85,301	89,720
Other receivables	**1,079**	1,053
	86,380	90,773

Included in trade receivables are retention monies receivable of approximately HK$6,587,000 (2011: HK$5,753,000), which are withheld and will be released upon the expiry of maintenance periods.

All of the trade and other receivables are expected to be recovered within one year, except for retention monies receivables of approximately HK$5,047,000 (2011: HK$Nil) which are expected to be recovered after more than one year.

As at 31 March 2012, trade receivables amounting to approximately HK$Nil (2011: HK$13.6 million) were pledged to a bank to secure general banking facilities granted to a subsidiary of the Company.

(a) Included in trade and other receivables are trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Within 90 days	**30,284**	36,432
Between 91 and 180 days	**10,391**	26,081
Between 181 and 365 days	**27,963**	20,669
Between 1 and 2 years	**10,076**	785
	78,714	83,967
Retention receivables	**6,587**	5,753
	85,301	89,720

Customers are generally granted with credit terms of 90 days. Generally, the Group does not hold any collaterals from customers.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

Movements in the allowance for doubtful debts are as follows:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
At the beginning of the year	**1,667**	701
Impairment losses recognised	**2,490**	1,187
Uncollectible amounts written off	**(337)**	(290)
Exchange realignment	**86**	69
At the end of the year	**3,906**	1,667

As at 31 March 2012, trade and bills receivables of the Group amounting to HK$3,906,000 (2011: HK$1,667,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 1 year as at the end of the reporting period or were due from companies with financial difficulties. The Group does not hold any collateral over these balances.

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Neither past due nor impaired	**38,599**	42,185
Past due but not impaired:		
Less than 3 months past due	**8,663**	26,081
Over 3 months past due	**38,039**	21,454
	85,301	89,720

Receivables that were neither past due nor impaired with an aggregate balance of approximately HK$38,599,000 (2011: HK$42,185,000) relate to a number of independent customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Trade payables	**5,640**	9,406
Other payables	**4,747**	2,066
Accrued wages	**1,515**	644
Payables for value-added tax	**6,780**	7,378
Deposits received from customers	**101**	19
	18,783	19,513

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Included in trade and other payables are trade payables with the following ageing analysis as at the end of the reporting period:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Within 90 days	**1,277**	1,620
Between 91 and 180 days	**2,241**	34
Between 181 and 365 days	**243**	612
Between 1 and 2 years	**1,291**	4,674
Over 2 years	**588**	2,466
	5,640	9,406

13. INTEREST-BEARING BORROWINGS – SECURED

The analysis of the carrying amount of secured bank loans is as follows:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Current liabilities		
Portion of bank loans due for repayment within one year	**–**	10,925

The effective interest rates (which are also equal to contracted interest rate) on the Group's bank borrowings are as follows:

	2012	2011
	%	*%*
Effective interest rates	**4.86 and 7.02**	4.86

As at 31 March 2011, the bank loans of approximately HK$10,925,000 was secured by trade receivables amounting to approximately HK$13.6 million of a subsidiary of the Company.

In addition, the Group has available un-utilised banking facilities of approximately HK$12,346,000 (2011: HK$980,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 March 2012, the Group's turnover was approximately HK$79,357,000, representing a 29% decrease as compared to last year. Gross profit was approximately HK$24,261,000, representing a 50% decrease as compared to last year. Net asset value was approximately HK$129,320,000 representing a 14% increase as compared to last year.

In the past year, global economy was at a weakening condition caused by the European debt crisis, USA's slow economic recovery and the uncertain situation in the Middle-East. The PRC has still recorded a certain growth in GDP. However, as affected by the global economic condition, as well as the Macro-economic Control and Tight Monetary Policy implemented by the PRC government, China's economic index for primary and secondary industry has declined.

During the year, the "WenZhou Multiple-units Train Accident" has caused great concern from the public regarding the railway transportation's high speed development and large scale investment. Operation safety became the top priority, causing both the PRC government and the local governments to slow down cash injection and project construction schedule. As a result, the Group's product delivery in respect of train information system decreased significantly and recorded an increase in accounts receivable.

The Group, being the main train information system supplier for domestic railway transportation, through continuous creativity and professional standard in the industry, provides high quality and safe product in pursuit of its operating mission.

BUSINESS REVIEW

During the year, following the amended national policies, the Group, after having taken into account the railway transportation construction and investment plan in cities, linked up with the delivery schedule of the signed contracts, effectively utilized its advantageous resources and adjusted the operation and management strategy in phases. Through resources saving, advancement in management and keeping up creativity in new products, the Group continuously enhances its core competitive edge. Resulted from proper implementation of strategy, operating results were demonstrated in:–

1. Achieved industry standard to enhance core competitive edge. Following the creativity of self-owned intellectual property in railway transportation, domestic train production rate increased from year to year. Product quality and standard was a significant criteria for selecting supplier in the industry. The Group recognised the need to have competitive product in the industry and to pass a high standard authentication is a must. After a year's effort from all employees, the Group's backbone enterprise (Guangzhou GL) has passed the IRIS authentication. The authentication process has increased the Group's operation and management standard, and caused product development, production and project services all up to industry's high standard requirement. Guangzhou GL is the first enterprise that passed the authentication in its product category in the PRC, and makes future market development more advantageous.

2. Satisfy customers requirement as a prerequisite to promote continuous product creativity. As lot of underground railway lines started operation and the arise of new technology application, customers raise new unique services concept to suit its services requirement. The Group actively cope with customers demand through creativity to realize customers new services. The Group has successfully launched a new industry model in Wuhan Line 2 – train broadcast system and passenger information broadcast system with new "LCD" model display which is well recognised by several new city railway line companies. And it will enhance the Group's brand name as well as advantages in market development.

3. Combine industry condition, continuously develop new market. Domestic market is adjusting. The operation advantage of railway transportation in core cities emerged continuously, and developing countries recognise the price-performance ratio of trains manufactured in China. Trains exported by CSL and CNL increased from year to year. The Group captured the opportunity, cooperated with train manufacturers with its high standard authentication to fit customers requirement and high creativity to explore overseas market. During the year, the Group has cooperated with CSL and completed the product delivery of 3 major system to Malaysia, with partial trains started operation. The Group has over 10 years experience in serving overseas markets and has established relationship with overseas markets, obtained several new contracts in Hong Kong, Macau and other overseas markets by satisfying customer's requirement in product creativity.

BUSINESS OUTLOOK

In the future, we believe that the national policy will regulate industry's systematic development. With the progress of urbanization, railway transportation construction is the government's long term national policy. The Group has implemented several projects in cities, and with its accumulated self-owned intellectual property rights, will have more steady development and wider operating revenue.

In the past year, the industry was under China's policy control, which has impact on the Group's turnover and accounts receivable. Notwithstanding the above, the Group has still obtained several supply contracts under its operation strategy. From early 2012, railway companies and CSR, CNR have steadily increased contractual delivery volume from month to month, and the Group's operating income next year will have certain degree of increase. Over the years, a number of railway lines have commenced operation and warranty period of some lines has already expired. New maintenance services and parts for these projects will contribute returns to the Group.

With years of continuous creativity, the Group's influential power in local and overseas industry will be enhanced. The actual operating result of projects will make "Global Link" a brand name recognised by customers. The Group has actively sought resources integration in the industry which will promote its overall operation to a new level.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group did not have any material acquisitions, disposals and significant investments during the year under review.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group since the last accounting year.

The Group carried out prudent financial policy with surplus cash deposited in bank to finance operation and investments. Management will review financial forecast on a regular basis. As at 31 March 2012, the Group had a total cash and bank balances, amounted to approximately HK$42,007,000 (2011: approximately HK$44,418,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the Group had net current assets of approximately HK$121,429,000 (2011: approximately HK$110,059,000), of which approximately HK$42,007,000 (2011: approximately HK$44,418,000) were cash and bank balances. The Directors are confident that the Group's existing financial resources will be sufficient to satisfy its commitments and working capital requirements.

FOREIGN EXCHANGE EXPOSURE

The Group exposes to certain foreign currency risk primarily with respect to Renminbi and United States Dollars. In view of the stability of the exchange rates of Renminbi and Hong Kong dollars, no hedging or other alternatives have been implemented. The Group continues to monitor its exposure closely and will take measures to lower the foreign currency risk when necessary.

EMPLOYEE AND SALARIES POLICY

As at 31 March 2012, the Group had 189 staffs (2011: 178 staffs), with 180 and 9 staffs employed in the PRC and Hong Kong respectively.

	At 31 March 2012 ***Number of staff***	At 31 March 2011 *Number of staff*
Management, finance and administration	**52**	39
Research and development	**118**	119
Marketing and sales	**19**	20
Total	**189**	178

The total staff costs, including Directors' emoluments, amounted to approximately HK$15,987,000 (2011: approximately HK$12,515,000) for the year under review. Staff remuneration, including the emolument payable to the Directors, is reviewed by the Group from time to time depending on length of service and performance of the staff.

The Group provides various employee benefits, including share option scheme, Mandatory Provident Fund Scheme, social insurance and accident insurance for frequent travel staff.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2012 (2011: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year under review.

CORPORATE GOVERNANCE

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company applied the principles and complied with all the code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules throughout the period under review.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group. The Audit Committee comprises three members, Mr. Hu Tiejun, Mr. Lu Ting Jie and Mr. Leung Kwok Keung. All of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Hu Tiejun.

The Group's annual audited results during the year ended 31 March 2012 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

On behalf of the Board
Ma Yuanguang
Chairman

Hong Kong, 22 June 2012

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.