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Global Link

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Global Link Communications Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8060)

**DISCLOSEABLE TRANSACTION
INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER
THE GENERAL MANDATE**

THE ASSIGNMENT

The Board is pleased to announce that on 23 December 2014 (after trading hours), the Company as the Assignee entered into the Assignment with the Assignor, pursuant to which the Assignor has agreed to assign the Application Rights to the Group throughout the Territory for a consideration of HK\$32,000,000, which shall be satisfied by the Company to allot and issue the Consideration Shares on Completion to the Assignor, credited as fully paid at the issue price of HK\$0.25 per Consideration Share.

The 128,000,000 Consideration Shares represent (i) approximately 13.32% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company prior to Completion). The Consideration Shares will be issued under the General Mandate and will rank *pari passu* among themselves and with all Shares in issue at the time of issue of the Consideration Shares.

Completion is conditional upon the satisfaction of the conditions as more particularly set out in the sub-paragraph headed “Conditions precedent” below.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios under the GEM Listing Rules in respect of the entering into of the Assignment are more than 5% but less than 25%, the transaction contemplated under the Assignment constitutes a discloseable transaction for the Company and is only subject to reporting and announcement requirements but is exempted from the shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 23 December 2014 (after trading hours), the Company as the Assignee entered into the Assignment with the Assignor, pursuant to which the Assignor has agreed to assign the Application Rights to the Group throughout the Territory for a consideration of HK\$32,000,000, which shall be satisfied by the Company to allot and issue the Consideration Shares on Completion to the Assignor, credited as fully paid at the issue price of HK\$0.25 per Consideration Share. Major terms of the Assignment are set out below.

THE ASSIGNMENT

Date

23 December 2014 (after trading hours)

Parties

Assignor: International Elite Ltd., an exempted company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 1328)

Assignee: Global Link Communications Holding Limited, an exempted company incorporated in Cayman Islands with limited liability whose issued Shares of which are listed on the GEM (Stock Code: 8060)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Assignor is an independent third party not connected with the Company or its connected person (as defined in the GEM Listing Rules).

Assets to be assigned

Pursuant to the Assignment, the Assignor is the proprietor of the CA-SIM and has agreed to assign to the Group its sole and exclusive right for the certain applications of the CA-SIM throughout the Territory on the terms and conditions set out in the Assignment.

Consideration

The consideration for the assigning the Application Rights throughout the Territory to the Group shall be the sum of HK\$32,000,000 which shall be satisfied by the Company to allot and issue the Consideration Shares on Completion to the Assignor, credited as fully paid at the issue price of HK\$0.25 per Consideration Share.

The consideration of HK\$32,000,000 was arrived at after arm's length negotiation between the parties to the Assignment on normal commercial terms with reference to (i) the expected income streams from the CA-SIM card including, but not limited to, the reimbursement income under the subcontract agreement with a telecommunication company (details of which are set out below); (ii) the business development and future prospects of the business model of the Application Rights and use of the CA-SIM cards; (iii) the proprietary nature of the technology of the CA-SIM; and (iv) technical and ancillary support to be provided by the Assignor in respect of the development of applications of the People's Welfare Cards (as defined below).

Consideration Shares

The 128,000,000 Consideration Shares represent (i) approximately 13.32% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company prior to Completion).

The issue price of HK\$0.25 per Consideration Share represents:

- (1) the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on 23 December 2014, being the date of the Assignment;
- (2) a premium of approximately 3.14% over the average closing price of HK\$0.2424 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to 23 December 2014, being the date of the Assignment; and
- (3) a premium of approximately 150% over the unaudited consolidated net asset value per Share of approximately HK\$0.10 as at 30 September 2014.

The issue price of approximately HK\$0.25 was arrived at after arm's length negotiation between the parties to the Assignment with reference to the recent market prices and performance of the Shares, the current market conditions and the business prospects of the Group. The Directors consider that the issue price is fair and reasonable and the issue of the Consideration Shares at the issue price is in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 192,161,500 Shares, being 20% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 8 August

2014. Up to the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval of the Shareholders. Following the issue of the Consideration Shares, a total of 128,000,000 new Shares will be allotted and issued, leaving a balance of 64,161,500 Shares to be allotted and issued under the General Mandate.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank *pari passu* among themselves and with all Shares in issue at the time of issue of the Consideration Shares.

Conditions Precedent

Completion is conditional upon the satisfaction (or waiver) of, inter alia, the following conditions precedent:

- (a) all necessary consents, licences and approvals, including but not limited to the approval of the board of the Assignor, required to be obtained on the part of the Assignor in respect of the Assignment and transactions contemplated hereby having been obtained;
- (b) all necessary consents, licences and approvals, including but not limited to the approval of the Board, required to be obtained on the part of the Company in respect of the Assignment and transactions contemplated hereby, including the allotment and issue of the Consideration shares, having been obtained;
- (c) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (d) the warranties provided by the Assignor under the Assignment remaining true and accurate in all material respect; and
- (e) the warranties provided by the Assignee under the Assignment remaining true and accurate in all material respect.

If the conditions set out above have not been satisfied (or as the case may be, waived by the Assignor in respect of clause (e) above and waived by the Assignee in respect of clause (d)) on or before 31 March 2015 or such later date as the Assignor and Assignee may agree, the Assignment shall cease and determine, and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of terms hereof.

Completion

Completion shall take place on the third Business Day upon compliance with or fulfillment (or waiver) of all the conditions of the Assignment.

INFORMATION ABOUT APPLICATION AND USE OF THE CA-SIM

Certificate Authority-SIM (CA-SIM) products use a technology of proprietary intellectual property right of the Assignor that embeds a special-made radio frequency module into a mobile SIM card that supports both 2.4GHz proximity contactless transaction and Bluetooth low energy communication. CA-SIM can be applied for the identity certification and security authorisation. Through the use of CA-SIM with mobile phone APPs, it enables subscribers to store digital certificate on CA-SIM and achieve high hardware security level to access various secured services under certain environment.

In November 2014, an indirect wholly-owned subsidiary of the Assignor has entered into a cooperative agreement with a subordinate company of People's Government of Panyu Region, Guangzhou Province, the PRC, pursuant to which both parties shall collaborate in development and promotion of people's welfare cards (民生卡) (the "**People's Welfare Card**") (which can be applied in, among others, medical appointment and local public transport payments) to build up the mobile application and the relevant certification system and cloud platform for the 廣州市番禺區智慧城市 (Smart Panyu) (the "**Smart Panyu Project**") with an aim to issue 1,000,000 People's Welfare Cards by the end of 2015. "Smart City" is a policy implemented by the PRC government in the 12th Five-Year Plan by making use of information technology to improve the welfare of the local citizens. By making use of information technology, Smart Panyu Project, a project that combines the idea of "Smart City", intelligence and benefiting the people's livelihood, can tackle common urban problems such as reducing energy consumption, traffic congestion and environmental pollution whilst, at the same time, providing benefit to the general public, improving living standards and quality of life of local citizens. Panyu Region was chosen as one of the regions as the pilot city for the policy of "Smart City".

By entering into the Assignment, the Group will be authorized to use/apply the technology of CA-SIM and develop the integrated "Smart City" solution for the Panyu Administrative District. People's Welfare Card is a CA-SIM card equipped with the technology of near field communication and is used as a tool for the Smart Panyu Project. CA-SIM card is a digital card with personal data stored on the card and is widely used as a payment platform on transport and at retail sector. It also supports access control for commercial and residential buildings, and in schools and leisure facilities. Meanwhile, the People's Welfare Card can be used alongside with a mobile APP which allows users to access data stored in cloud server to facilitate the aforesaid applications. The mobile APP will also facilitate the government to manage urban mobile population, maintain public security and social stability. Also, the government can apply Big Data analysis from data obtained through the mobile APP to assist the government to design policies for social welfare in a more scientific way. Pursuant to the Assignment, the Assignor shall use its best endeavor to assist the Group to enter into a cooperation agreement with the subordinate company of People's Government of Panyu Region, Guangdong Province, the PRC, to facilitate the Assignee in respect of collaboration on development and promotion of the People's Welfare Card. It is expected that the Group will mainly be responsible for (i) providing the CA-SIM cards for the issuance of the People's Welfare Cards with an aim to issue 1,000,000 People's Welfare Cards by the end of 2015; (ii) development of the mobile application for the initial development stage of the Smart Panyu Project; (iii) development, installation and maintenance of the relevant certification system and cloud platform for the Smart

Panyu Project; (iv) production of the promotional materials for the Smart Panyu Project; and (v) assisting People's Government of Panyu Region in planning and execution of the development of the Smart Panyu Project.

Subject to Completion, the Company will enter into a subcontract cooperation agreement with a telecommunication company pursuant that the Company will attract the customers of such telecommunication company in Panyu Region, Guangdong Province, the PRC to use the CA-SIM cards as People's Welfare Cards and will be reimbursed with of RMB3 per user using the CA-SIM cards per month for five years. By cooperating with a telecommunication company, the Smart City can be materialized and implemented through the use of CA-SIM cards.

Besides, as stated above, it is expected that the People's Welfare Cards would allow users to make payments in retail sectors and use as access control card for commercial and residential buildings, and in schools and leisure facilities through the use of CA-SIM with mobile phone APPs. Hence, the Group envisages that the application of the People's Welfare Cards may continue to expand and the Group intends to cooperate with various partners in this regard. Accordingly, in addition to the reimbursement from the telecommunication company, it is also expected that the Group may generate revenue from (i) administration fee at a certain percentage of the expenses of each user per month using the APPs; (ii) advertisement income from various customers; (iii) installation fee of mobile APPs; and (iv) other service fees.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in provision of train information systems for railway transportation and related solutions. These systems include CCTV, passenger information, train broadcast and other information systems for trains which are installed at fixed locations. In order to remain as a pacesetter, the Group initiates innovations in train information system for urban railway transportation and had been updating its products according to modifications in operation design made by clients to satisfy different requirements in service content, location, timing and form. In addition, the Group took efforts to penetrate into non-urban railway transportation sectors through gradual transformation from a pure-play contractor towards a service provider in non-traditional sectors including safety in operation, product security and product intelligence. The Group has been seeking business opportunities utilizing mobile internet technology since 2012 and has been expanding and strengthening its management and operation teams.

As mentioned in the interim report of the Company for the six months ended 30 September 2014, the Group has enhanced relationship with cooperative partners, with arrangement to develop mobile internet services and related safety protection services in new markets. The Group believes that through promoting and implementing its operation strategy, it will widen its development opportunity and create better market opportunity in the areas of new application. The Directors are of the view that the CA-SIM is an innovative application of mobile internet which focuses on services of users and it would be complementary to the existing business of the Group and may facilitate the Group to expand its revenue base. With the foundation of the existing management team and technical team, the Group plans to recruit more APP technicians, cloud platform engineers, salesmen etc. to manage

the business and development of the application and use of CA-SIM cards. Hence, the Directors are of the opinion that the entering into the Assignment is in line with the corporate strategy of the Group which provides an opportunity for the Company to broaden its business scope into the new business and creates synergy effect and thereby diversifying the business risks of the Group.

The Directors including the independent non-executive Directors consider the terms and conditions of the Assignment is fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately following Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than the issue of the Consideration Shares):

	As at the date of this announcement		Immediately following Completion	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Directors:				
Mr. Ma Yuanguang	255,121,200	26.55	255,121,200	23.43
Mr. Lo Kam Hon, Gary	120,000	0.01	120,000	0.01
Mr. Hu Tiejun	833,000	0.09	833,000	0.08
Mr. Wing Kee Eng, Lee	2,778,000	0.29	2,778,000	0.25
Professor Lu Ting Jie	833,000	0.09	833,000	0.08
The Assignor (<i>Note</i>)	–	–	128,000,000	11.76
Public Shareholders	<u>701,122,300</u>	<u>72.97</u>	<u>701,122,300</u>	<u>64.39</u>
Total	<u>960,807,500</u>	<u>100.00</u>	<u>1,088,807,500</u>	<u>100.00</u>

Note: The Assignor will become a substantial shareholder (as defined under the GEM Listing Rules) of the Company upon Completion.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios under the GEM Listing Rules in respect of the Assignment are more than 5% but less than 25%, the transaction under the Assignment constitutes a discloseable transaction for the Company and is only subject to reporting and announcement requirements but is exempt from the shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Application Rights”	the sole and exclusive right for certain application and use of the CA-SIM and the Assignor’s intellectual and industrial property rights created, designed, owned, consumed and/or developed existing at the date of the Assignment for use in relation to the CA-SIM
“Assignment”	the assignment of application rights dated 23 December 2014 entered into between the Assignor, the Assignee and the Company in relation to the assignment of the Application Rights to the Group throughout the Territory
“Assignor”	International Elite Ltd., an exempted company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 1328)
“Board”	the board of Directors
“Business Day”	a day (excluding a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“CA-SIM”	the certificate authority SIM, a technology developed from RF-SIM Patent, being a combination of ordinary mobile phone subscriber identity module card and contactless smartcard and has functions of (i) public key infrastructure; (ii) application programming interface; and (iii) software development kit
“Company” or “Assignee”	Global Link Communications Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (Stock Code: 8060)
“Completion”	completion of the Assignment
“Consideration Share(s)”	an aggregate of 128,000,000 new Shares to be allotted and issued by the Company at the issue price of HK\$0.25 per Share to satisfy the consideration of the Assignment
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 192,161,500 Shares, being 20% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 8 August 2014
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China (for the purpose of the Assignment, excluding Hong Kong Special Administrative Region of PRC, Macau Special Administrative Region of PRC and Taiwan)
“RF-SIM Patent”	the registered patent numbered: ZL2004100362634, namely “帶無線射頻通信功能的手機智能卡及配套的外圍處理裝置” (Radio-Frequency Subscriber Identity Module), issued by the State Intellectual Property Office of the PRC and legally and beneficially owned by the Assignor
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Territory”	Panyu Region, Guangdong Province, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 23 December 2014

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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 herein or this announcement misleading.

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