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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)

Third Quarterly Result Announcement 2006

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The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement, for which the directors (the “Directors”) of Global Link Communications Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

Turnover for the nine months ended 31 December 2006 was HK\$23,420,000 representing a 18% increase from that of the last corresponding period.

Profit attributable to equity holders of the Company was approximately HK\$3,394,000 representing a 108% increase from that of the last corresponding period.

UNAUDITED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2006

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 and the nine months ended 31 December 2006 together with the unaudited comparative figures for the corresponding period in 2005 (“Last Corresponding Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the three months ended		For the nine months ended	
		31 December		31 December	
		2006	2005	2006	2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	8,608	8,566	23,420	19,895
Cost of sales		(5,926)	(7,593)	(15,955)	(16,382)
Gross profit		2,682	973	7,465	3,513
Other revenue		114	1,498	1,918	4,993
Selling expenses		(757)	(821)	(2,331)	(2,554)
Administrative expenses		(1,071)	(1,215)	(3,334)	(4,302)
Profit from operations		968	435	3,718	1,650
Finance costs		(94)	(7)	(102)	(17)
Profit before taxation		874	428	3,616	1,633
Taxation	3	(75)	–	(222)	–
Profit for the period		799	428	3,394	1,633
Attributable to:					
Equity holders of the Company		799	428	3,394	1,635
Minority interests		–	–	–	(2)
		799	428	3,394	1,633
Earnings per share					
(in HK cents)	5				
– Basic		0.12	0.07	0.51	0.25
– Diluted		0.11	0.06	0.50	N/A

NOTES TO THE INCOME STATEMENT

1. Basis of preparation

The Group's unaudited third 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.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the nine months ended 31 December 2006 are consistent with those followed in the annual report of the Company for the year ended 31 March 2006.

2. Turnover and revenue

Turnover represents the net invoiced value of the sales of goods, licence fees and services income receivable, after allowance for returns and trade discounts, and after elimination of intra-group transactions.

3. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the nine months ended 31 December 2006 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 nine months ended 31 December 2006 (2005: Nil).

The PRC enterprise income tax ("EIT") represents tax charges on the assessable profits of the PRC subsidiaries of the Group at the prevailing tax rates applicable. One of the PRC subsidiaries of the Group, Guangzhou Global Link Communications Inc., which is categorised as foreign investment enterprises are entitled to preferential tax treatments including full exemption from EIT for two years starting from their first profit-making year following by a 50% reduction for the next consecutive three years. EIT tax charge for the nine months ended 31 December 2006 was HK\$222,000 (2005: Nil).

There was no significant unprovided deferred taxation for the nine months ended 31 December 2006 (2005: Nil).

4. Dividend

The Board does not recommend an interim dividend for the nine months ended 31 December 2006 (2005: Nil).

5. Earnings per share

(a) Basic

The calculation of the basic earnings per share for the three months ended 31 December 2006 is based on the consolidated profit attributable to equity holders of the Company of approximately HK\$799,000 (2005: HK\$428,000) and on the weighted average of 660,024,500 (2005: 660,024,500) ordinary shares of the Company in issue during the period.

The calculation of the basic earnings per share for the nine months ended 31 December 2006 is based on the consolidated profit attributable to equity holders of the Company of approximately HK\$3,394,000 (2005: HK\$1,635,000) and on the weighted average of 660,024,500 (2005: 660,024,500) ordinary shares of the Company in issue during the period.

(b) *Diluted*

The calculation of diluted earnings per share for the three months and nine months ended 31 December 2006 is based on the consolidated profit attributable to equity holders of the Company of approximately HK\$799,000 and HK\$3,394,000.

The weighted average number of shares used in the calculation was 660,024,500 shares in issue for the three months ended 31 December 2006 and the weighted average number of 15,340,464 shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of shares used in the calculation was 660,024,500 shares in issue for the nine months ended 31 December 2006 and the weighted average number of 15,136,366 shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of diluted earnings per share for the three months ended 31 December 2005 is based on the profit attributable to shareholders of HK\$428,000 and the weighted average of 672,771,780 shares after adjusting for the effects of all dilutive potential shares, as if all the outstanding share options granted by the Company had been exercised at the date of issuance.

No diluted earnings per share has been presented for the nine months ended 31 December 2005 since the assumed exercise of the Company's outstanding share options would have no dilutive effect on earnings per share.

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 exchange translation reserve (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000 (restated)	Accumulated losses (Unaudited) HK\$'000 (restated)	Statutory reserve (Unaudited) HK\$'000 (note b)	Total (Unaudited) HK\$'000 (restated)
As at 1 April 2005	6,600	15,120	2,135	12	118	(22,356)	2,073	3,702
Profit for the period	-	-	-	-	-	1,635	-	1,635
Exchange difference	-	-	-	25	-	-	-	25
As at 31 December 2005	6,600	15,120	2,135	37	118	(20,603)	2,073	5,362
As at 1 April 2006	6,600	15,120	2,135	37	177	(20,290)	2,147	5,926
Profit for the period	-	-	-	-	-	3,394	-	3,394
Transfer to statutory reserve fund	-	-	-	-	-	(677)	677	-
As at 31 December 2006	6,600	15,120	2,135	37	177	(17,573)	2,824	9,320

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

Global Link strives to fulfil the Group's strategic plan through continuous innovation and creativity. To cope with the decreased capital expenditure from telecommunication operators, the Group has successfully shifted its operational focus. With its experienced marketing team and research and development capability, the Group had achieved remarkable result in projects including railway transportation, large-scale call centre and digital television network.

During the period under review, the Group keep the "communication message software creator" as its mission, endeavoured in implementation of the Group's operational strategy in respond to development of the railway transportation in the PRC. The railway view channel control system for Guangzhou Underground Railway Line 4 and Beijing Underground Railway Line 1 were successfully implemented as a result of the Group's team effort. Customers had give positive feedback in the areas of project progress, installation, real time operation and system quality.

During the period under review, the Group utilised our brandname "Global Link" to take opportunity of the highly invested railway transportation industry in the coming 10 years and to expand its market share. Our management believe that built up on the solid foundation in the past 3 quarters, there will be increased earnings in the next quarter.

Looking in the year ahead, the Group has great business opportunity in the railway transportation industry. The Group believes that continuous growth in operating results and earnings can be achieved through the continuous implementation of innovative strategy which led to better competitive edge for the Group's products.

Financial review

For the nine months ended 31 December 2006, the Group recorded a turnover of approximately HK\$23,420,000, representing an increase by approximately 18% comparing with that of the Last Corresponding Period. Gross profit of approximately HK\$7,465,000 was recorded, and gross profit margin increase from approximately 18% to approximately 32%. Net profit attributable to shareholders of approximately HK\$3,394,000 was recorded in this period.

During the period under review, apart from manufacturing traditional whole package value-added solutions to telecommunication operators and providing long term stable professional sources to operators, the Group has also started the installation of railway transportation view channel multi-media control system. These were the main reasons for the increase in turnover and gross profit for the nine months ended 31 December 2006. The strength in credit control and reduced provision as well as the tighter control on expenses are the main reasons for the increase in profit for the period.

Due to the industry's nature and the Group's development strategy, the Group will continue to invest in research and development resources. Following the launch of new products, the Group's gross profit has increased and now remain stable. The Group believes that by adopting continuous product development strategy, the Group will build up solid technology foundation for future market thus enabling the Group to capture higher market share.

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

As at 31 December 2006, 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	25.03%
		Beneficial owner	10,556,000 ordinary shares Long position (Note 1)	1.57%
Hu Zhi Jian	Company	Interest of controlled corporation	79,347,600 ordinary shares Long position (Note 2)	12.02%
		Beneficial owner	8,889,000 ordinary shares Long position (Note 1)	1.33%

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Chau Siu Piu	Company	Beneficial owner	58,560,400 ordinary shares Long position	8.87%
		Beneficial owner	7,778,000 ordinary shares Long position (Note 1)	1.16%
Lo Kam Hon, Gary	Company	Beneficial owner	350,000 ordinary shares Long position (Note 1)	0.05%
Wing Kee Eng, Lee	Company	Beneficial owner	2,778,000 ordinary shares Long position (Note 1)	0.42%
Hu Tiejun	Company	Beneficial owner	833,000 ordinary shares Long position (Note 1)	0.13%
Lu Ting Jie	Company	Beneficial owner	416,500 ordinary shares Long position	0.06%
		Beneficial owner	416,500 ordinary shares Long position (Note 1)	0.06%

Note:

1. Share options to subscribe for 10,556,000 shares, 8,889,000 shares, 7,778,000 shares, 2,778,000 shares, 833,000 shares and 833,000 shares of the Company were granted to Ma Yuanguang, Hu Zhi Jian, Chau Siu Piu, Wing Kee Eng, Lee, Hu Tiejun and Lu Ting Jie 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. On 13 November 2003, Lu Ting Jie had exercised 416,500 share options under the Pre-IPO Share Option Scheme.

On 10 December 2003, share options to subscribe for 350,000 shares of the Company were granted to Lo Kam Hon, Gary pursuant to the share option scheme (the “Share Option Scheme”) adopted by 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 31 December 2006, 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 31 December 2006, 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 shareholdings
Li Guo Ping	Interest of controlled corporation	68,744,800 ordinary shares Long position (<i>Note</i>)	10.42%
Top Legend Investment Limited	Beneficial owner	68,744,800 ordinary shares Long position (<i>Note</i>)	10.42%
Leung Kin Man	Beneficial owner	50,000,000 ordinary shares Long position	7.58%

Notes:

Top Legend Investment Limited, the entire issued share capital of which is held by Li Guo Ping, is interested in the 68,744,800 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2006, so far is known to the Directors, there was no person (not being a Director or a chief executive of the Company) 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 EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this report, as at 31 December 2006, 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 executive 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' 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's 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 period ended 31 December 2006.

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group had purchased, sold or redeemed any of the shares of the Company during the nine months ended 31 December 2006.

COMPETING INTERESTS

None of the Directors nor the substantial shareholder 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.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises of three members, namely Mr. Hu Tiejun, Professor Lu Ting Jie and Mr. Leung Kwok Keung, all being independent non-executive Directors. The Group's unaudited results for the nine months ended 31 December 2006 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures had been made.

By order of the Board
Ma Yuanguang
Chairman

Hong Kong, 13 February 2007

As at the date of this announcement, the executive directors of the Company are Mr. Ma Yuanguang, Mr. Hu Zhi Jian, Mr. Chau Siu Piu 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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