

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)

## **DISCLOSEABLE TRANSACTION**

### **THE ACQUISITION**

The Board is pleased to announce that on 4 April 2019 (after trading hours), the Company, the Vendor and the Target Company, entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 60% of the entire issued share capital of the Target Company at the Consideration of HK\$24 million.

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is only subject to notification 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 4 April 2019 (after trading hours), the Company, the Vendor and the Target Company entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK\$24 million.

The principal terms of the Agreement are set out below:

## **THE AGREEMENT**

**Date** : 4 April 2019 (after trading hours)

**Parties** : (1) The Company (as purchaser);  
(2) the Vendor (as vendor); and  
(3) the Target Company.

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

### **Assets to be acquired**

Pursuant to the Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares, representing 60% of the entire issued share capital of the Target Company.

### **Consideration**

The Consideration of the Sale Shares is HK\$24 million which shall be settled by the Company in the following manner upon Completion:

- (i) HK\$12 million by way of cash; and
- (ii) HK\$12 million by way of issuing the Promissory Note.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor after taking into account, among others, (i) the valuation on the 100% equity interest of the Target Group of RMB41,537,000 (approximately HK\$48,735,000) as at 28 February 2019 based on the discounted cash flow method under the income approach according to the Valuation Report; (ii) the future prospects of the principal business of the Target Group; and (iii) the profit guarantee to be provided by the Vendor as set out in the section headed "Profit Guarantee" in this announcement below.

Based on the Valuation Report, the valuation of the 60% equity interest of the Target Group as at 28 February 2019 amounted to approximately HK\$29,241,000. Accordingly, the Consideration represents a discount of approximately 17.9% to the valuation of the Target Group.

It is expected that the Consideration will be funded by internal resources of the Group.

## **Conditions Precedent**

Completion is conditional upon the following conditions being satisfied or waived in accordance with the Agreement:

- (1) the Company being satisfied with the results of due diligence review on the assets, liabilities, operations and affairs of the Target Group;
- (2) all necessary consents, approvals and authorisations, including legal authorisations from legal and beneficial owner, in respect of the Agreement and the transactions contemplated thereunder having been obtained by the Vendor and the Target Group;
- (3) the Company having taken all necessary corporate actions and passed all required resolutions (including Shareholders' resolutions (if necessary)) to approve the Agreement and the transactions contemplated under the Agreement;
- (4) each of the representations and warranties given by the Vendor being true, accurate, complete and non-misleading in all aspects since the date of the Agreement to the date of Completion;
- (5) the Company having published the relevant announcement and/or circular (if necessary) in relation to the Agreement under the GEM Listing Rules; and
- (6) the Vendor having performed or complied in all material respects with his undertakings and agreements contained in the Agreement.

If any of the conditions (save for (3) and (5) above) set out above is not fulfilled or waived on or before 30 September 2019 (or such later date as the Company and the Vendor may agree in writing), the Agreement will lapse while each party's rights and obligations already accrued under the Agreement will not be affected.

## **Completion**

Completion shall take place on a day within five Business Days after the last outstanding Conditions Precedent (other than the Conditions Precedent which are only capable of being fulfilled upon Completion) shall have been fulfilled or waived by the Company in accordance with the Agreement (or such other date as the Company and the Vendor may agree).

Upon Completion, the Target Company will become a non-wholly-owned subsidiary of the Company, and the financial results of the Target Group will be consolidated with the results of the Group.

## Principal terms of the Promissory Note

The principal terms of the Promissory Note are as follows:

<i>Issuer:</i>	The Company
<i>Principal amount:</i>	HK\$12 million
<i>Interest:</i>	The Promissory Note is non-interest bearing
<i>Maturity date:</i>	31 July 2020
<i>Redemption:</i>	The Company may redeem all or part of the principal amount prior to the maturity date of the Promissory Note by notice to the noteholder of not less than 5 Business Days
<i>Transferable:</i>	The Promissory Note shall not be assigned or transferred by the noteholder by any means

## Profit Guarantee

Pursuant to the Agreement, the Vendor irrevocably warrants and guarantees that the audited net profit after tax of the Target Company for the 15 months period ending 31 March 2020 (the “**Actual Profit**”), to be recorded in the 2019 Audited Account (which shall be issued on or before 30 June 2020), shall be not less than HK\$6,200,000 (the “**Guaranteed Profit**”).

In the event that the Actual Profit fails to meet the Guaranteed Profit, the Vendor irrevocably undertakes to indemnify the Company the Shortfall (as defined below) within 14 days from the issue of the 2019 Audited Account.

The calculation of the shortfall (the “**Shortfall**”) is set out below:

Shortfall = the Consideration x [(Guaranteed Profit – Actual Profit)/Guaranteed Profit].

The Company and the Vendor mutually agreed that the amount of the Shortfall payable by the Vendor can offset against the principal amount of the Promissory Note. In the event that the Shortfall exceeds the principal amount of the Promissory Note, the Vendor shall pay the balance by way of cash to the Company.

## INFORMATION OF THE VENDOR

The Vendor is a Chinese citizen who is the holder of the entire issued share capital of the Target Company.

## INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. The Target Company holds the entire equity interest in Shanghai Xunshan, a company established in the PRC. Shanghai Xunshan is an electronic payment terminals solutions provider, principally engaging in provision of business development solutions, system enhancement and maintenance services, and ancillary services (collectively, the “**Relevant Services**”) for its customers, including telecommunications service providers, transportation service providers and merchants in the PRC. As at the date of this announcement, the Target Group entered into cooperation agreements with its customers to provide the Relevant Services in 15 regions in Hainan province, the PRC.

Set out below is the unaudited financial information of Shanghai Xunshan for the period from 2 January 2018 (date of its establishment) to 31 December 2018 and for the two months ended 28 February 2019:

	<b>For the period from 2 January 2018 to 31 December 2018 RMB (Approximately)</b>	<b>For the two months ended 28 February 2019 RMB (Approximately)</b>
Turnover	33,031	1,205,193
(Loss)/profit before taxation	(14,688)	1,008,899
(Loss)/profit after taxation	(14,688)	1,008,899
Net (liabilities)/assets	(14,688)	994,210

## VALUATION

According to the Valuation Report issued by an independent valuer, RHL Appraisal Limited (“**RHL**”), the 100% equity interest of the Target Group as at 28 February 2019 amounted to RMB41,537,000 (approximately HK\$48,735,000) which was assessed using the income approach based on discounted cash flows. Accordingly, such valuation of the Target Group based on discounted cash flows constitutes profit forecasts under Rule 19.61 of the GEM Listing Rules (the “**Profit Forecasts**”).

For the purpose of complying with Rules 19.60A and 19.62 of the GEM Listing Rules, the principal assumptions upon which the Profit Forecasts based are as follows:

1. There will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business.

2. There will be no material changes in inflation and interest rates from those prevailing as at the valuation date.
3. The availability of finance will not materially constrain the forecasted growth of the Target Group.
4. The Target Company will be able to procure and retain competent key personnel and operating staffs.
5. The PRC corporate tax rate of 25.00% is adopted on the assessable profit arising in the PRC throughout the period of the Profit Forecasts.
6. The Target Group has no material non-operating assets and liabilities which should be recognised.
7. The Target Group has no contingent assets and liabilities or any other off-balance sheet items which should be recognised.

Crowe (HK) CPA Limited (“**Crowe (HK)**”), the reporting accountants of the Company, have reported to the Directors in respect of its examination of the calculations of discounted cash flows on which the Valuation Report prepared in accordance with the bases and assumptions (the “**Assumptions**”) determined by the Directors are based, and are of the opinion that, the abovementioned discounted future estimated cash flows, so far as the calculation are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

The Directors are responsible for the preparation of the discounted future estimated cash flows in accordance with the Assumptions and the work performed by Crowe (HK) did not constitute any valuation of the Target Group. The Directors confirm that the discounted future estimated cash flows underlying the valuation of the net asset value of the Target Group have been made after due and careful enquiry. The letter from the Board is set out in Appendix I to this announcement for the purpose of Rules 19.60A and 19.62 of the GEM Listing Rules.

The report from Crowe (HK) is set out in Appendix II to this announcement for the purpose of Rules 19.60A and 19.62 of the GEM Listing Rules.

The following are the qualifications of the experts who have given their opinion in this announcement:

<b>Name</b>	<b>Qualification</b>
RHL	Professional valuer
Crowe (HK)	Certified public accountants, Hong Kong

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of RHL and Crowe (HK) is an independent third party and not connected with the Company or its connected persons. As at the date of this announcement:

1. neither RHL nor Crowe (HK) has any shareholding in the Company or any of its subsidiaries or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Company or any of its subsidiaries; and
2. neither RHL nor Crowe (HK) has any direct or indirect interest in any assets which have been, since 31 March 2018 (the date to which the latest published audited annual financial statements of the Company were made up), acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased, the Company or any of its subsidiaries.

Each of RHL and Crowe (HK) has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its name and its statements in the form and context in which they are included.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company. The Group is principally engaged in supply, development and integration of passenger information management system.

With reference to the interim report for the six months ended 30 September 2018 of the Company, the Group will continue to strive for innovation, continue to allocate resources focusing on key technical research and development and markets with new opportunities. The Acquisition, which enables the Company to tap into the transportation payment solutions industry in the PRC, is consistent with the Group's strategy in expanding its passenger information management system business and will create great synergy with the Group's existing business. The geographical position of the Target Group, mainly covering Hainan province in the PRC, will enhance the Group's market presence in the PRC with great expansion opportunities. In addition to the cooperation agreements entered by the Target Group to provide the Relevant Services in 15 regions in Hainan province, the Target Group is in negotiation with various public transportation service providers regarding the provision of the Relevant Services in different cities of the PRC. It is expected that the Acquisition will also provide unique position and opportunity for the Group to provide services with different enterprises especially large telecommunication service providers and multi-region transportation service providers across the PRC.

The Directors are of the view that the Acquisition is fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is only subject to notification and announcement requirements but is exempted from the shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITION**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2019 Audited Account”	the audited consolidated financial statements of the Target Company for the 15 months period ending 31 March 2020 to be prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Acquisition”	the proposed acquisition of the Sale Shares from the Vendor pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement entered into on 4 April 2019 (after trading hours) between the Company, the Vendor and the Target Company for the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong is generally open for business (other than a Saturday or Sunday or public holiday in Hong Kong)
“Company”	Global Link Communications Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Completion”	completion of the Acquisition
“Conditions Precedent”	the conditions precedent of the Agreement as set out under the paragraph headed “Conditions Precedent” in this announcement
“Consideration”	the consideration of HK\$24 million to be settled in accordance with the terms of the Agreement
“Director(s)”	the 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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$12 million, to be issued by the Company in favour of the Vendor to satisfy part of the Consideration
“Sale Shares”	60 issued shares in the share capital of the Target Company, representing 60% of the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shanghai Xunshan”	上海尋山信息科技有限公司 (Shanghai Xunshan Information Technology Limited*), a company established in the PRC and is direct wholly-owned by the Target Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Connect Cool Technology Limited, a company incorporated in Hong Kong with limited liability and is direct wholly-owned by the Vendor
“Target Group”	the Target Company and its subsidiary, Shanghai Xunshan
“Valuation Report”	a valuation report issued by an independent valuer, RHL Appraisal Limited, on the valuation of the Target Group as at 28 February 2019
“Vendor”	Mr. 肖力 (Xiao Li*), a Chinese citizen who is the holder of the entire issued share capital of the Target Company

“%”

per cent

By order of the Board  
**Global Link Communications Holdings Limited**  
**LI Kin Shing**  
Chairman

Hong Kong, 4 April 2019

\* *For identification purpose only*

*Unless other specified, amounts denominated in RMB have been converted into Hong Kong dollars in this announcement for the purpose of illustration only and at the rate of RMB0.8523 = HK\$1.*

*As at the date of this announcement, the executive Directors are Mr. Li Kin Shing, Mr. Ma Yuanguang, and Mr. Wong Kin Wa; and the independent non-executive Directors are Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Mr. Liu Chun Bao.*

*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](http://www.hkgem.com) on the "Latest Company Announcements" page of the website of GEM 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](http://www.glink.hk).*

## APPENDIX I – LETTER FROM THE BOARD

4 April 2019

Listing Division  
The Stock Exchange of Hong Kong Limited  
11/F., One International Finance Centre  
1 Harbour View Street, Central  
Hong Kong

Dear Sirs

Re: Discloseable Transaction – Acquisition of 60% of the entire issued share capital of Connect Cool Technology Limited

We refer to the announcement of the Company dated 4 April 2019 and the valuation report (the “**Valuation Report**”) prepared by RHL Appraisal Limited (the “**Valuer**”) dated 4 April 2019 in respect of the valuation of Connect Cool Technology Limited and its subsidiary, Shanghai Xunshan Information Technology Limited (the “**Target Group**”) as at 28 February 2019 (the “**Valuation**”), the Valuation of which constitutes a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

We have discussed with the Valuer about different aspects including the basis and assumptions based on which the Valuation has been prepared and have reviewed the comfort letter issued by Crowe (HK) CPA Limited in relation to the arithmetic calculations of the profit forecast of the Target Group and have reviewed the principal assumptions upon which the Valuation is based. We have also considered the impact of the transaction on the Company and its subsidiaries as a whole.

After such discussion and reviews, we are of the view that the profit forecast contained in the Valuation Report has been made after due and careful enquiry.

Yours faithfully  
For and on behalf of the Board of  
**Global Link Communications Holdings Limited**  
**Li Kin Shing**  
*Chairman*

## **APPENDIX II – REPORT FROM CROWE (HK) CPA LIMITED**

### **INDEPENDENT ASSURANCE REPORT ON CALCULATIONS OF DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF EQUITY INTERESTS IN CONNECT COOL TECHNOLOGY LIMITED**

#### **TO THE DIRECTORS OF GLOBAL LINK COMMUNICATIONS HOLDINGS LIMITED**

We have been engaged to report on the arithmetical calculations of the discounted future cash flows used in the business valuation of equity interests in Connect Cool Technology Limited (the “**Valuation**”) dated 4 April 2019, prepared by RHL Appraisal Limited. The Valuation is based in part upon discounted future cash flows and are regarded by the directors of the Company as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

#### **Directors’ Responsibility for the Discounted Future Cash Flows**

The directors of the Company are solely responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Valuation. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applied Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control concluding documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Our responsibility**

It is our responsibility to report, as required by Rule 19.62(2) of the GEM Listing Rules, on the arithmetical calculations of the discounted future cash flows used in the Valuation.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future

cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the bases and assumptions as set out in the Valuation. We re-performed the arithmetical calculations and compared the compilation of the discounted future cash flows with the bases and assumptions.

We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based on and our work does not constitute any valuation of Connect Cool Technology Limited. Our work is substantially less in scope than an audit or a review conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit or a review opinion on the Valuation.

The discounted future cash flows do not involve the adoption of accounting policies. The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 19.62(2) of the GEM Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

## **Opinion**

Based on the foregoing, in our opinion, the discounted future cash flows used in the Valuation, so far as the arithmetical calculations are concerned, have been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Valuation.

Yours faithfully  
For and on behalf of  
Crowe (HK) CPA Limited  
Poon Cheuk Ngai  
Director

4 April 2019