



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 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*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”) of the Stock Exchange 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 on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed 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](http://www.glink.hk).*

## HIGHLIGHTS

- Turnover of the Group for the year ended 31 March 2021 was approximately HK\$98,124,000, representing an increase of approximately 39%, as compared with that for the year ended 31 March 2020.
- Profit attributable to equity shareholders of the Company was approximately HK\$2,265,000 for the year ended 31 March 2021, as compared with the loss of approximately HK\$23,192,000 for the last corresponding year.
- The board of the Directors does not recommend the payment of final dividend for the year ended 31 March 2021.

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 2021 together with the audited comparative figures for the year ended 31 March 2020 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2021*

|   | <i>Note</i> | <b>2021</b><br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| <b>Revenue</b>  | <i>4</i>    | <b>98,124</b>                  | 70,428                  |
| Cost of sales   |             | <b>(83,993)</b>                | (60,604)                |
| <b>Gross profit</b>   |             | <b>14,131</b>                  | 9,824                   |
| Other revenue and other net gain  | <i>5</i>    | <b>10,322</b>                  | 4,845                   |
| Selling expenses  |             | <b>(10,949)</b>                | (9,920)                 |
| Administrative expenses   |             | <b>(13,416)</b>                | (13,741)                |
| Fair value gain on contingent consideration payable                           |             | –                              | 7,236                   |
| Impairment loss of goodwill   |             | –                              | (5,716)                 |
| Reversal of/(impairment loss) of trade receivables and contract assets        |             | <b>2,575</b>                   | (2,440)                 |
| Impairment loss of intangible asset   |             | –                              | (8,704)                 |
| Other operating expenses  |             | <b>(657)</b>                   | (2,880)                 |
| <b>Profit/(loss) from operation</b>   |             | <b>2,006</b>                   | (21,496)                |
| Finance costs   | <i>6(c)</i> | <b>(832)</b>                   | (158)                   |
| <b>Profit/(loss) before taxation</b>  | <i>6</i>    | <b>1,174</b>                   | (21,654)                |
| Income tax  | <i>8</i>    | –                              | (365)                   |
| <b>Profit/(loss) for the year</b>   |             | <b>1,174</b>                   | (22,019)                |
| <b>Other comprehensive income/(loss) for the year:</b>                        |             |                                |                         |
| Items that may be reclassified subsequently to profit or loss:                |             |                                |                         |
| Exchange difference on translating financial statements of foreign operations |             | <b>1,836</b>                   | (2,416)                 |
| Exchange reserves released upon disposal of subsidiaries                      |             | <b>80</b>                      | –                       |
| <b>Other comprehensive income/(loss) for the year, net of income tax</b>      |             | <b>1,916</b>                   | (2,416)                 |
| <b>Total comprehensive income/(loss) for the year</b>                         |             | <b>3,090</b>                   | (24,435)                |
| <b>Profit/(loss) attributable to:</b>   |             |                                |                         |
| Equity shareholders of the Company  |             | <b>2,265</b>                   | (23,192)                |
| Non-controlling interest  |             | <b>(1,091)</b>                 | 1,173                   |
|   |             | <b>1,174</b>                   | (22,019)                |
| <b>Total comprehensive income/(loss) attributable to:</b>                     |             |                                |                         |
| Equity shareholders of the Company  |             | <b>4,137</b>                   | (25,550)                |
| Non-controlling interest  |             | <b>(1,047)</b>                 | 1,115                   |
|   |             | <b>3,090</b>                   | (24,435)                |
| <b>Profit/(loss) per share</b>  | <i>10</i>   | <b>HK cents</b>                | <i>HK cents</i>         |
| – Basic and diluted   |             | <b>0.7</b>                     | (9.1)                   |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2021**

|  | <i>Notes</i> | <b>2021</b><br><b>HK\$'000</b> | 2020<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| <b>Non-current assets</b>                                    |              |                                |                         |
| Property, plant and equipment                                |              | 2,400                          | 3,612                   |
| Goodwill   |              | –                              | 15,817                  |
| Intangible assets  |              | –                              | 657                     |
|  |              | <u>2,400</u>                   | <u>20,086</u>           |
| <b>Current assets</b>  |              |                                |                         |
| Inventories  |              | 1,804                          | 2,515                   |
| Contract assets  |              | 4,391                          | 3,609                   |
| Trade and other receivables                                  | <i>11</i>    | 59,652                         | 33,628                  |
| Bills receivables discounted with recourse                   |              | 3,549                          | –                       |
| Deposits and prepayments                                     |              | 12,931                         | 10,544                  |
| Time deposit   |              | 13,025                         | –                       |
| Cash and cash equivalents                                    |              | 80,825                         | 94,107                  |
|  |              | <u>176,177</u>                 | <u>144,403</u>          |
| <b>Current liabilities</b>                                   |              |                                |                         |
| Trade and other payables                                     | <i>12</i>    | 43,490                         | 30,903                  |
| Consideration payable  |              | –                              | 3,645                   |
| Contract liabilities   |              | 969                            | 650                     |
| Advances drawn on factored trade receivables with recourse   |              | 5,857                          | –                       |
| Advances drawn on bills receivables discounted with recourse |              | 3,549                          | –                       |
| Lease liabilities  |              | 1,284                          | 1,133                   |
| Provision  |              | 1,148                          | 7,721                   |
| Provision for taxation                                       |              | 7,139                          | 6,732                   |
|  |              | <u>63,436</u>                  | <u>50,784</u>           |
| <b>Net current assets</b>                                    |              | <u>112,741</u>                 | <u>93,619</u>           |
| <b>Total assets less current liabilities</b>                 |              | <u>115,141</u>                 | <u>113,705</u>          |
| <b>Non-current liabilities</b>                               |              |                                |                         |
| Lease liabilities  |              | 412                            | 1,569                   |
| <b>Net assets</b>  |              | <u>114,729</u>                 | <u>112,136</u>          |
| <b>Capital and reserves</b>                                  |              |                                |                         |
| Equity attributable to equity shareholders of the Company    |              |                                |                         |
| Share capital  |              | 32,638                         | 32,638                  |
| Reserves   |              | 82,091                         | 77,954                  |
|  |              | <u>114,729</u>                 | <u>110,592</u>          |
| Non-controlling interest                                     |              | –                              | 1,544                   |
| <b>Total equity</b>  |              | <u>114,729</u>                 | <u>112,136</u>          |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|  | Attributable to equity shareholders of the Company |               |                |                  |                    |                    |          | Non-controlling interests | Total equity |
|--|--|---------------|----------------|------------------|--------------------|--------------------|----------|---------------------------|--------------|
|  | Share capital                                      | Share premium | Merger reserve | Exchange reserve | Accumulated losses | Statutory reserves | Total    |                           |              |
|  | HK\$'000   | HK\$'000      | HK\$'000       | HK\$'000         | HK\$'000           | HK\$'000           | HK\$'000 | HK\$'000                  | HK\$'000     |
| At 1 April 2019  | 20,888   | 158,967       | 2,135          | 9,661            | (110,984)          | 14,585             | 95,252   | -                         | 95,252       |
| Loss for the year  | -  | -             | -              | -                | (23,192)           | -                  | (23,192) | 1,173                     | (22,019)     |
| Exchange differences on translating financial statements of foreign operations | -  | -             | -              | (2,358)          | -                  | -                  | (2,358)  | (58)                      | (2,416)      |
| Total comprehensive loss for the year  | -  | -             | -              | (2,358)          | (23,192)           | -                  | (25,550) | 1,115                     | (24,435)     |
| Share issued under subscription agreement                                      | 11,750   | 29,140        | -              | -                | -                  | -                  | 40,890   | -                         | 40,890       |
| Non-controlling interest arising from acquisition of subsidiaries              | -  | -             | -              | -                | -                  | -                  | -        | 429                       | 429          |
| Appropriation to statutory reserve   | -  | -             | -              | -                | (283)              | 283                | -        | -                         | -            |
| At 31 March 2020 and 1 April 2020  | 32,638   | 188,107       | 2,135          | 7,303            | (134,459)          | 14,868             | 110,592  | 1,544                     | 112,136      |
| Profit for the year  | -  | -             | -              | -                | 2,265              | -                  | 2,265    | (1,091)                   | 1,174        |
| Exchange differences on translating financial statements of foreign operations | -  | -             | -              | 1,792            | -                  | -                  | 1,792    | 44                        | 1,836        |
| Exchange reserves released upon disposal of subsidiaries                       | -  | -             | -              | 80               | -                  | -                  | 80       | -                         | 80           |
| Total comprehensive income for the year  | -  | -             | -              | 1,872            | 2,265              | -                  | 4,137    | (1,047)                   | 3,090        |
| Release upon disposal of subsidiaries  | -  | -             | -              | -                | 285                | (285)              | -        | (497)                     | (497)        |
| At 31 March 2021   | 32,638   | 188,107       | 2,135          | 9,175            | (131,909)          | 14,583             | 114,729  | -                         | 114,729      |

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 No. 401, Building D, Guangdong Software Park, No.11, Caipin Road, Science City of Guangzhou Development Zone, Guangzhou City, Guangdong Province, the People's Republic of China. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 3. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

|  |                                |
|--|--------------------------------|
| Amendments to HKAS 1 and HKAS 8            | Definition of Material         |
| Amendments to HKFRS 3                      | Definition of a Business       |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform |

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 4. REVENUE

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

|  | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>Revenue from contracts with customers<br/>within the scope of HKFRS 15</b>                      |                         |                         |
| Revenue from the supply, development and integration of<br>passenger information management system | 90,116                  | 57,130                  |
| Income from transportation e-payment solutions   | –                       | 10,714                  |
| Sale of electronic components  | 4                       | 2,584                   |
| Customer Relationship Management Services (“CRMS”) income  | 8,004                   | –                       |
|  | <hr/>                   | <hr/>                   |
| Total revenue  | <b>98,124</b>           | 70,428                  |
|  | <hr/> <hr/>             | <hr/> <hr/>             |

#### 5. OTHER REVENUE AND OTHER NET GAIN

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Bank interest income *                            | 951                     | 1,026                   |
| Gain on disposal of subsidiaries                  | 57                      | –                       |
| Gain on disposal of other financial assets        | 128                     | 235                     |
| Government grants                                 | 270                     | 105                     |
| Other income                                      | 1,813                   | 683                     |
|   | <hr/>                   | <hr/>                   |
| Other revenue                                     | <b>3,219</b>            | 2,049                   |
|   | <hr/>                   | <hr/>                   |
| Reversal of provision for product warranties, net | 6,966                   | 1,672                   |
| Exchange gain                                     | 137                     | 1,124                   |
|   | <hr/>                   | <hr/>                   |
| Other net gain                                    | <b>7,103</b>            | 2,796                   |
|   | <hr/>                   | <hr/>                   |
|   | <b>10,322</b>           | 4,845                   |
|   | <hr/> <hr/>             | <hr/> <hr/>             |

\* The bank interest income was not on financial assets at fair value through profit or loss.

Other revenue for the year ended 31 March 2021 included a new subsidy of approximately HK\$270,000 received from the Government under the Employment Support Scheme which was launched in May 2020 to help companies in Hong Kong to retain their employees during the economy slowdown caused by the COVID-19 pandemic.

## 6. PROFIT/(LOSS) BEFORE TAXATION

|  | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Profit/(Loss) for the year has been arrived at after charging/(crediting): |                         |                         |
| <b>(a) Staff costs, including directors' emoluments</b>                    |                         |                         |
| Salaries and wages   | 21,249                  | 20,833                  |
| Contributions to retirement benefit schemes                                | 1,887                   | 2,049                   |
| Provision for staff welfare benefits                                       | 42                      | 60                      |
|  | <u>23,178</u>           | <u>22,942</u>           |
| <b>(b) Other items</b>   |                         |                         |
| Auditors' remuneration   |                         |                         |
| – audit service  | 663                     | 658                     |
| – non-audit service  | 80                      | 99                      |
|  | <u>743</u>              | <u>757</u>              |
| (Reversal of)/impairment loss of trade receivables and contract assets     | (2,575)                 | 2,440                   |
| Provision for impairment of deposits                                       | –                       | 417                     |
| Cost of inventories sold *   | 83,993                  | 60,604                  |
| Research and development costs #   | 17,874                  | 15,258                  |
| Depreciation of property, plant and equipment                              |                         |                         |
| – self-owned assets  | 320                     | 637                     |
| – right-of-use asset   | 1,194                   | 895                     |
| Amortisation of intangible assets (included in other operating expenses)   | 657                     | 2,880                   |
| Gain on disposal of subsidiaries   | 57                      | –                       |
| Impairment losses on intangible assets                                     | –                       | 8,704                   |
| Reversal of provision for product warranties, net ##                       | (6,966)                 | (1,672)                 |
| Net exchange gain  | (137)                   | (1,124)                 |
| Impairment loss of goodwill  | –                       | 5,716                   |
| Loss on written off of property, plant and equipment                       | –                       | 19                      |

\* *Cost of inventories sold includes approximately HK\$13,733,000 (2020: HK\$12,269,000) 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 approximately HK\$17,874,000 (2020: HK\$15,258,000) which was included in cost of sales.*

## *Reversal of provision for product warranties, net, and are included in "Other revenue and other net gain" on the face of the consolidated statement of profit or loss and other comprehensive income.*



(c) **Finance Cost**

|                               | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Interest expenses             | 709                     | –                       |
| Bank charges                  | –                       | 3                       |
| Interest on lease liabilities | 123                     | 155                     |
|                               | <u>832</u>              | <u>158</u>              |

**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 maker (“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 entities’ operate. The geographical locations include the People’s Republic of China (the “PRC”) (place of domicile of the Group) and Hong Kong.

Segment revenue of the PRC comprises the revenue from supply, development and integration of passenger information management system and income from transportation e-payment solutions.

Segment revenue of Hong Kong comprises the revenue from supply, development and integration of passenger information management system.

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:

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. The revenue, gross profit and results of the Group are allocated based on location of the Group entities’ operations. 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 or amortisation of assets attributable to those segments.

Sales between segments are carried out on arm’s length basis. The revenue from external customers reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss and other 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 2021 and 2020 is set out below:

|  | The PRC          |                  | Hong Kong        |                  | Total            |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2021<br>HK\$'000 | 2020<br>HK\$'000 | 2021<br>HK\$'000 | 2020<br>HK\$'000 | 2021<br>HK\$'000 | 2020<br>HK\$'000 |
| <b>Disaggregated by timing of revenue recognition</b>                                      |                  |                  |                  |                  |                  |                  |
| – Overtime   | 1,037            | –                | 3,535            | –                | 4,572            | –                |
| – Point in time  | 93,552           | 70,385           | –                | 170              | 93,552           | 70,555           |
|  | <u>94,589</u>    | <u>70,385</u>    | <u>3,535</u>     | <u>170</u>       | <u>98,124</u>    | <u>70,555</u>    |
| <b>Reportable segment profit/(loss)</b>  | <u>22,812</u>    | <u>(1,773)</u>   | <u>136</u>       | <u>263</u>       | <u>22,948</u>    | <u>(1,510)</u>   |
| Research and development costs   | (17,874)         | (15,258)         | –                | –                | (17,874)         | (15,258)         |
| Bank interest income   | 14               | 22               | 937              | 1,004            | 951              | 1,026            |
| Gain on disposal of other financial assets   | 128              | 235              | –                | –                | 128              | 235              |
| Depreciation   | (1,512)          | (1,530)          | (2)              | (2)              | (1,514)          | (1,532)          |
| Amortisation of intangible assets  | (657)            | (2,880)          | –                | –                | (657)            | (2,880)          |
| Reversal of/(impairment loss) of trade receivables and contract assets                     | 2,575            | (2,440)          | –                | –                | 2,575            | (2,440)          |
| Reversal of provision for product warranties, net  | 6,966            | 1,672            | –                | –                | 6,966            | 1,672            |
| Provision for impairment of deposits   | –                | (417)            | –                | –                | –                | (417)            |
| Gain on disposal of subsidiaries   | –                | –                | 57               | –                | 57               | –                |
| Impairment losses on intangible assets   | –                | (8,704)          | –                | –                | –                | (8,704)          |
| Fair value gain on contingent consideration payable  | –                | 7,236            | –                | –                | –                | 7,236            |
| Impairment loss on goodwill  | –                | (5,716)          | –                | –                | –                | (5,716)          |
| Loss on written off of property, plant and equipment                                       | –                | 19               | –                | –                | –                | 19               |
|  | <u>89,322</u>    | <u>89,017</u>    | <u>89,311</u>    | <u>78,697</u>    | <u>178,633</u>   | <u>167,714</u>   |
| <b>Reportable segment assets</b>   | <u>89,322</u>    | <u>89,017</u>    | <u>89,311</u>    | <u>78,697</u>    | <u>178,633</u>   | <u>167,714</u>   |
| Reportable segment assets includes:  |                  |                  |                  |                  |                  |                  |
| Additions to non-current assets (other than financial instruments and deferred tax assets) |                  |                  |                  |                  |                  |                  |
| – Property, plant and equipment  | 60               | 3,589            | –                | –                | 60               | 3,589            |
| – Goodwill   | –                | 22,238           | –                | –                | –                | 22,238           |
|  | <u>60</u>        | <u>3,589</u>     | <u>–</u>         | <u>–</u>         | <u>60</u>        | <u>3,589</u>     |
|  | <u>–</u>         | <u>22,238</u>    | <u>–</u>         | <u>–</u>         | <u>–</u>         | <u>22,238</u>    |
| <b>Reportable segment liabilities</b>  | <u>54,992</u>    | <u>41,997</u>    | <u>1,773</u>     | <u>6,849</u>     | <u>56,765</u>    | <u>48,846</u>    |

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

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Revenue:</b>   |                         |                         |
| Total reportable segments' revenue  | 98,124                  | 70,555                  |
| Elimination of inter-segment revenue  | —                       | (127)                   |
|   | <hr/>                   | <hr/>                   |
| Consolidated revenue  | 98,124                  | 70,428                  |
|   | <hr/>                   | <hr/>                   |
| <b>Profit/(loss):</b>   |                         |                         |
| Total reportable segments' profit/(loss)                                    | 22,948                  | (1,510)                 |
| Elimination of inter-segment profit   | —                       | 127                     |
|   | <hr/>                   | <hr/>                   |
| Reportable segment profit/(loss) derived from Group's<br>external customers | 22,948                  | (1,383)                 |
| Bank interest income  | 951                     | 1,026                   |
| Gain on disposal of subsidiaries  | 57                      | —                       |
| Unallocated head office and corporate expenses                              | (22,782)                | (21,297)                |
|   | <hr/>                   | <hr/>                   |
| Consolidated profit/(loss) before tax expenses                              | 1,174                   | (21,654)                |
|   | <hr/>                   | <hr/>                   |
| <b>Assets</b>   |                         |                         |
| Total reportable segments' assets   | 178,633                 | 167,714                 |
| Elimination of inter-segment receivables                                    | (3,605)                 | (3,225)                 |
|   | <hr/>                   | <hr/>                   |
| Consolidated total assets   | 175,028                 | 164,489                 |
|   | <hr/>                   | <hr/>                   |
| <b>Liabilities</b>  |                         |                         |
| Total reportable segments' liabilities                                      | 56,765                  | 48,846                  |
| Elimination of inter-segment payables                                       | (3,605)                 | (3,225)                 |
|   | <hr/>                   | <hr/>                   |
|   | 53,160                  | 45,621                  |
| Current tax liabilities   | 7,139                   | 6,732                   |
|   | <hr/>                   | <hr/>                   |
| Consolidated total liabilities  | <u>60,299</u>           | <u>52,353</u>           |

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

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

|  | <b>2021</b><br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Supply, development and integration of passenger information management system | <b>90,116</b>                  | 57,130                  |
| Income from transportation e-payment solutions                                 | –                              | 10,714                  |
| Sale of electronic components  | <b>4</b>                       | 2,584                   |
| CRMS income  | <b>8,004</b>                   | –                       |
|  | <u><b>98,124</b></u>           | <u>70,428</u>           |

(d) **Other geographical information**

|           | <b>Non-current assets</b>      |                         |
|-----------|--------------------------------|-------------------------|
|           | <b>2021</b><br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
| The PRC   | <b>2,398</b>                   | 20,082                  |
| Hong Kong | <b>2</b>                       | 4                       |
|           | <u><b>2,400</b></u>            | <u>20,086</u>           |

The Group's non-current assets, which include property, plant and equipment, intangible assets and goodwill. The geographical location of the Group's non-current assets are based on the physical location of the asset under consideration in case of tangible assets, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

(e) **Information about major customers**

Revenue from two (2020: three) customers in the PRC operating and reportable segment amounted to approximately HK\$40,564,000 and HK\$17,732,000 (2020: HK\$21,815,000, HK\$9,995,000 and HK\$9,248,000), which individually represent more than 10% of the Group's total revenue.

Two customers contributed 10% or more to the Group's total revenue for both 2021 and 2020.

## 8. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

|                           | 2021<br>HK\$'000 | 2020<br>HK\$'000 |
|---------------------------|------------------|------------------|
| Current year provision:   |                  |                  |
| Hong Kong Profits Tax     | –                | 4                |
| PRC Enterprise Income Tax | –                | 361              |
|                           | <hr/>            | <hr/>            |
|                           | –                | 365              |
|                           | <hr/> <hr/>      | <hr/> <hr/>      |

- (i) The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong was 16.5% for the years ended 31 March 2021 and 2020, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary the first HK\$2 million of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for the years ended 31 March 2021 and 2020 is taken into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2020/21 subject to a maximum reduction of HK\$10,000 (2019/20: HK\$20,000) for each business.

- (ii) A PRC subsidiary of the Company, Guangzhou Global Link Communications Inc. (“Guangzhou GL”), was qualified as “High and new technology enterprise” and subject to concessionary rate of PRC enterprise income tax (the “PRC EIT”) at 15%, which was granted for further three years starting from December 2020. The remaining PRC subsidiaries were qualified as “Small Low-profit Enterprise” and subject to a concessionary PRC EIT rate.
- (iii) 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.

## 9. DIVIDENDS

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of reporting period (2020: Nil).

## 10. PROFIT/(LOSS) PER SHARE

### (a) Basic profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the consolidated profit/(loss) attributable to equity shareholders of the Company of profit of HK\$2,265,000 (2020: loss of HK\$23,192,000) and the weighted average number of approximately 326,380,750 ordinary shares (2020: 253,826,105 ordinary shares) in issue during the year.

### (b) Diluted profit/(loss) per share

The basic and diluted profit/(loss) per share are the same for the years ended 31 March 2021 and 2020, as there are no dilutive potential ordinary shares in issue during the year.

## 11. TRADE AND OTHER RECEIVABLES

|                                    | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|------------------------------------|-------------------------|-------------------------|
| Trade receivables                  | 55,742                  | 39,605                  |
| Bills receivables                  | 1,420                   | –                       |
|                                    | <hr/>                   | <hr/>                   |
| Trade and bills receivables        | 57,162                  | 39,605                  |
| Less: Allowance for doubtful debts | (4,360)                 | (8,545)                 |
|                                    | <hr/>                   | <hr/>                   |
| Other receivables                  | 52,802                  | 31,060                  |
|                                    | 6,850                   | 2,568                   |
|                                    | <hr/>                   | <hr/>                   |
|                                    | <b>59,652</b>           | <b>33,628</b>           |
|                                    | <hr/> <hr/>             | <hr/> <hr/>             |

All of the trade and other receivables are expected to be recovered within one year.

### Age analysis

The following is an analysis of trade receivables and bills receivables by age, presented the respective revenue recognition dates and the issuance date of relevant bills respectively:

|                          | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--------------------------|-------------------------|-------------------------|
| Within 90 days           | 47,482                  | 9,100                   |
| Between 91 and 180 days  | 3,375                   | 11,631                  |
| Between 181 and 365 days | 1,608                   | 4,123                   |
| Between 1 and 2 years    | 337                     | 2,596                   |
| Over 2 years             | –                       | 3,610                   |
|                          | <hr/>                   | <hr/>                   |
|                          | 52,802                  | 31,060                  |
| Retention receivables    | –                       | –                       |
|                          | <hr/>                   | <hr/>                   |
|                          | <b>52,802</b>           | <b>31,060</b>           |
|                          | <hr/> <hr/>             | <hr/> <hr/>             |

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

At 31 March 2021, carrying amount of trade receivables amounted to HK\$8,246,000 (2020: HK\$nil) has been pledged as security for the Group's other borrowing.

## Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. The Group therefore continues to recognise the transferred assets in their entirety in its consolidated statement of financial position. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Carrying amount of transferred assets     | 8,246                   | –                       |
| Carrying amount of associated liabilities | <u>(5,857)</u>          | <u>–</u>                |
| Net position                              | <u><u>2,389</u></u>     | <u><u>–</u></u>         |

## 12. TRADE AND OTHER PAYABLES

|                                       | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---------------------------------------|-------------------------|-------------------------|
| Trade payables ( <i>note (b)(i)</i> ) | 32,357                  | 21,836                  |
| Other payables                        | 2,051                   | 2,012                   |
| Borrowings from related parties       | 4,826                   | 3,687                   |
| Accrued wages                         | 1,256                   | 1,066                   |
| Payables for value-added tax          | <u>3,000</u>            | <u>2,302</u>            |
|                                       | <u><u>43,490</u></u>    | <u><u>30,903</u></u>    |

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

(b) Included in trade and other payables are trade payables and bills payables presented based on the purchase recognition date, that is, goods receipt date, with the following ageing analysis as at the end of the reporting period:

|                           | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---------------------------|-------------------------|-------------------------|
| (i) <b>Trade payables</b> |                         |                         |
| Within 90 days            | 10,113                  | 4,785                   |
| Between 91 and 180 days   | 7,541                   | 5,590                   |
| Between 181 and 365 days  | 11,315                  | 5,619                   |
| Between 1 and 2 years     | 1,752                   | 5,104                   |
| Over 2 years              | <u>1,636</u>            | <u>738</u>              |
|                           | <u><u>32,357</u></u>    | <u><u>21,836</u></u>    |

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

#### **Turnover**

During the year under review, Guangzhou Global Link, a subsidiary of the Company, performed goods supply in accordance with signed contracts, including: Wuhan Metro Caidian Line, South Extension of Wuhan Metro Line 6, Wuhan Metro Line 16, Chongqing Metro Line 9, phase-3 of Harbin Metro Line 1, Harbin Metro Line 2, update and renovation projects of train-borne systems of Shenzhen Metro Line 3, renovation project of Guangzhou Metro Line 5/6, new purchase project of Guangzhou Metro Line 5, low-floor new energy vehicles in Huangpu District of Guangzhou, the newly tested and manufactured CRH3 high-speed trains projects, the project in Istanbul, Turkey as well as the bulk supply of spare parts and accessories to operating lines in various cities. The total delivery amount increased as compared with the last corresponding year. In terms of the customer relationship management (“CRM”) business, the Group gradually expanded the CRM business team, achieving rapid development in the CRM business.

During the year under review, the Group recorded turnover of approximately HK\$98,124,000, representing an increase of approximately 39% as compared with approximately HK\$70,428,000 in the last corresponding year, including revenue from the CRM business of approximately HK\$8,004,000.

#### **Gross profit and profit attributable to equity shareholders**

For the year ended 31 March 2021, the Group recorded gross profit of approximately HK\$14,131,000 with gross profit margin of approximately 14%. Profit after tax for the year was approximately HK\$1,174,000. Profit attributable to equity shareholders of the Company amounted to approximately HK\$2,265,000.

#### **Selling expenses**

Selling expenses during the year under review were approximately HK\$10,949,000, representing an increase of 10% as compared with the last corresponding year. The increase was mainly due to the impact of the COVID-19 pandemic. At the beginning of COVID-19 pandemic, the Group’s external exchanges were almost interrupted, and subsequently, as the pandemic eased in China, the Group’s external exchanges fully recovered, and outperformed the same level as those in the last corresponding year as a whole.

#### **Administrative expenses**

Administrative expenses during the year under review were approximately HK\$13,416,000, remained stable as compared with approximately HK\$13,741,000 in the last corresponding year.



## **Other revenue and other net gain**

During the year under review, other revenue and other net gain were approximately HK\$10,322,000, representing a significant increase as compared with approximately HK\$4,845,000 in the last corresponding year. The increase was mainly due to the provision for product after-sales maintenance of approximately HK\$6,966,000 accrued in the previous period was reversed during the year under review.

## **BUSINESS REVIEW**

In the face of the pandemic during the year, Guangzhou Global Link, a subsidiary of the Company, actively responded to local government's advocate to resumption of work and production in time and overcame various difficulties and successfully delivered the products and systems under contracts based on the requirements of CRRC. It carried out the delivery of systems and equipment for 11 lines in six cities/countries, including Guangzhou, Wuhan, Chongqing, Harbin, Wenshan and Turkey. Meanwhile, it also implemented the general overhauls and renovation of vehicle passenger information system for three lines in two cities. Guangzhou Global Link recorded revenue of approximately RMB78 million for the year.

Despite the pandemic, the rail transit operation in cities gradually resumed their capacity and operation time in short time. The management of Guangzhou Global Link, based on the requirements of local governments, cooperated with operators and led the resumption of work and production. Under the premise of strictly ensuring the health and safety of employees, Guangzhou Global Link carried out the opening of new lines and the operation maintenance in a scientific and orderly manner. Overseas regions under the Belt and Road Initiative, including Malaysia, Pakistan, Turkey and Hong Kong, are severely hit by the reoccurrence of the COVID-19 pandemic. However, under the leadership of the backbone employees of the Group, it provided employees with more humanistic care and material incentives and met the working requirements of local operators. It is fortunate that as at the date of this results announcement, none of the domestic and overseas employees on the site was affected by the COVID-19 pandemic.

As the corresponding countries of projects in overseas markets under the Belt and Road Initiative require certain proportion of localization, Guangzhou Global Link has to actively identify partners with the corresponding production and technological background and strength under the requirements of local governments of the countries or regions where overseas projects are located while exploring markets. To implement the localization of the airport line in Istanbul, Turkey during the period, the Group invested a huge amount of marketing and production materials and human resources and the prevention of the COVID-19 pandemic posed new challenges to the localization.

During the reporting period, relevant supply chains in the industry witnessed the trend of hiking prices of imported ICs, memories, hard disks and certain materials. As a result of the gradual increase in human resources costs, the longer cycle of trade receivables of the Group, the higher proportion of commercial acceptance as well as other factors, the operating costs of the Group increased accordingly and the profitability was affected.

In the face of the COVID-19 pandemic during the year, Global Link Intelligent, a subsidiary of the Company, strictly implemented measures of local governments on the prevention of the pandemic and carried out the recruitment of and trainings on CRM staff. While implementing measures on the prevention of the pandemic, it conducted the CRM business and gradually expanded the CRM team and accumulated the work experience of CRM team, laying a solid foundation for the better development of the CRM business. During the reporting period, the CRM business vigorously expanded the mainland and Hong Kong markets and obtained telecommunications and catering reservation businesses.

On 27 July 2020, the Company entered into a sale and purchase agreement, pursuant to which, the Company has agreed to sell 60% of the issued share capital of Connect Cool Technology Limited (a company wholly owns Shanghai Xunshan Information Technology Limited) to the other shareholder holding 40% of the issued share capital of the Connect Cool Technology Limited at a total consideration of HK\$24,548,000. On 18 August 2020, the abovementioned disposal has been completed. Connect Cool Technology Limited ceased to be a subsidiary of the Company after the completion. For details, please refer to the announcements of the Company dated 27 July 2020 and 18 August 2020 and the circular of the Company dated 14 August 2020.

## **BUSINESS OUTLOOK**

With the economic and social development, the Chinese government has attached great importance to the implementation of high-quality development. As the main artery in urban transit, metros are facing new reforms and challenges. The construction of intelligent metros has become a trend in the current urban rail transit industry. Local operators have proposed their respective plans and “digitalization, informationization, intellectualization and customization” will be basic requirements on the products of the Group. The innovation of products and systems will prioritize “accurate perception, unmanned and cloud services” and other passenger experience. With the planning on new lines and the increasing maturity of the market in Mainland China, CRRC has formulated standards on “standard metros” and will arrange the R&D of products under new standards and the qualification examination for enterprises of relevant products and enterprises. The implementation of the standards will facilitate the intelligent assembly of whole train manufacturers and establish standards on the intermediate maintenance and upgrading of trains for interconnection in the future. It also raises more requirements on technical innovation and high quality of enterprises in the industrial chain.

Based on the “14th Five-year” Plan of the Chinese government, the investment in rail transit will maintain certain scale with relatively stable market demands. As the operation line in major cities with early metro operation gradually enter the stage for general overhauls and intermediate maintenance, such market demands will increase year by year. The implementation of intelligent urban rail will attract more enterprises with core high technologies and the Group will see a new round of opportunities as well as intensified competitions.

The Group increased the input in the CRM business and actively expanded the market. It negotiated with a telecommunication operator on cooperation in the CRM business to accelerate the development of the CRM business of the Group. On the basis of the CRM business, it will expand to the provision of insurance services to telecommunication customers.

## **MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS**

Save as disclosed above, 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 2021, the Group had total time deposit, cash and cash equivalents, amounted to approximately HK\$93,850,000 (2020: approximately HK\$94,107,000).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2021, the Group had net current assets of approximately HK\$112,741,000 (2020: approximately HK\$93,619,000), of which approximately HK\$93,850,000 (2020: approximately HK\$94,107,000) were time deposit, cash and cash equivalents. 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 United States dollars 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 2021, the Group had 229 employees (2020: 199 employees), with 220 employees and 9 employees employed in the PRC and Hong Kong, respectively.

|  | <b>At 31 March<br/>2021</b>       | At 31 March<br>2020        |
|--|-----------------------------------|----------------------------|
|  | <b><i>Number of<br/>staff</i></b> | <i>Number of<br/>staff</i> |
| Management, finance and administration | <b>34</b>                         | 39                         |
| Research and development               | <b>80</b>                         | 82                         |
| Sales and after-sales maintenance      | <b>115</b>                        | 78                         |
|  | <hr/>                             | <hr/>                      |
| Total                                  | <b>229</b>                        | 199                        |
|  | <hr/> <hr/>                       | <hr/> <hr/>                |

The total staff costs, including Directors' emoluments, amounted to approximately HK\$23,178,000 (2020: approximately HK\$22,942,000) 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 Mandatory Provident Fund Scheme, social insurance, medical insurance and accident insurance.

## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2021.

## 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.

## USE OF PROCEEDS FROM THE SUBSCRIPTION COMPLETED ON 21 APRIL 2016

Honor Crest Holdings Limited, a direct wholly owned subsidiary of Goldstream Investment Limited (formerly known as International Elite Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 1328) completed the subscription of 1,000,000,000 shares of the Company on 21 April 2016. For details, please refer to the announcements of the Company dated 29 February 2016 and 21 April 2016 and the circular of the Company dated 30 March 2016 (the "Circular").

The gross proceeds from the subscription were HK\$80.0 million. The net proceeds of the subscription, after deduction of expenses and professional fees, amounted to approximately HK\$79.0 million (the “Subscription Proceeds”), amongst which approximately HK\$64.3 million had been utilised as at 31 March 2021. The breakdown of the Company’s actual use of the Subscription Proceeds as at 31 March 2021 is as follows:

|   | <b>Proposed<br/>use of the<br/>Subscription<br/>Proceeds as<br/>disclosed in<br/>the Circular<br/><i>HK\$ million</i></b> | <b>Actual use of<br/>the Subscription<br/>Proceeds from<br/>the date of<br/>completion of<br/>the Subscription<br/>to 31 March<br/>2021<br/><i>HK\$ million</i></b> |
|---|---|---|
| The Company’s existing train information system solutions for urban rail transit business, mainly for the execution of the newly signed order contracts of a number of new lines projects in several cities in the PRC                                      | 30.0  | 30.0  |
| The development of the “Smart City” project by using the Company’s existing CA-SIM technology, mainly for staff hiring, development of relevant management system platform and gradual roll out of the mobile apps and value-added services to target users | 41.1  | 26.4  |
| Working capital   | 7.9   | 7.9   |
| Total   | <u>79.0</u>   | <u>64.3</u>   |

Based on the current market condition, the Board is planning to utilise approximately HK\$3.0 million, on development of the “Smart City” projects and relevant research and development in the financial year ending 31 March 2022.

The remaining balance of the un-utilised Subscription Proceeds will be put in banks as deposits.

As at 31 March 2021, there is no plan to change the original intended use of the proceeds as disclosed in the Circular.

## **CORPORATE GOVERNANCE**

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

## AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group’s financial matters to the Board. As at the date of this announcement, the Audit Committee comprises three members, Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Mr. Liu Chun Bao. All of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Cheung Sai Ming.

The Group’s annual audited results during the year ended 31 March 2021 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

**LI Kin Shing**

*Chairman*

Hong Kong, 22 June 2021

*As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. LI Kin Shing, Mr. MA Yuanguang and Mr. WONG Kin Wa; and (ii) three independent non-executive Directors, namely Mr. LEUNG Kwok Keung, Mr. CHEUNG Sai Ming and Mr. LIU Chun Bao.*