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 2024

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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.glink.hk.

HIGHLIGHTS

- Turnover of the Group for the year ended 31 March 2024 was approximately HK$134,280,000, representing a decrease of approximately 4%, as compared with that for the year ended 31 March 2023.

- Loss attributable to equity shareholders of the Company was approximately HK$1,999,000 for the year ended 31 March 2024, as compared with the loss of approximately HK$11,815,000 for the last corresponding year.

- The board of the Directors does not recommend the payment of final dividend for the year ended 31 March 2024.

The board of directors (the "**Board**") 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 2024 together with the audited comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 HK$'000	2023 HK$'000
Revenue	4	**134,280**	139,978
Cost of sales and services rendered		**(121,561)**	(133,546)
Gross profit		**12,719**	6,432
Other revenue and other net gain	5	**4,735**	5,782
Selling expenses		**(10,350)**	(9,909)
Administrative expenses		**(10,111)**	(9,037)
Impairment loss reversed/(recognised) on trade receivables and contract assets		**1,390**	(3,819)
Loss on deregistration of a subsidiary		**–**	(635)
Loss from operation		**(1,617)**	(11,186)
Finance costs	6(c)	**(382)**	(629)
Loss before taxation	6	**(1,999)**	(11,815)
Income tax	8	**–**	–
Loss for the year		**(1,999)**	(11,815)
Other comprehensive (loss)/income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating financial statements of foreign operations		**(33)**	(887)
Reclassification adjustments for exchange reserves upon deregistration of a subsidiary		**–**	635
Other comprehensive loss for the year, net of income tax		**(33)**	(252)
Total comprehensive loss for the year		**(2,032)**	(12,067)
Loss attributable to:			
Equity shareholders of the Company		**(1,999)**	(11,815)
Total comprehensive loss attributable to:			
Equity shareholders of the Company		**(2,032)**	(12,067)
Loss per share	10	***HK cents***	*HK cents*
– Basic and diluted		**(0.6)**	(3.6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Non-current assets			
Property, plant and equipment		**2,448**	3,541
Intangible assets		**–**	–
		2,448	3,541
Current assets			
Inventories		**967**	998
Contract assets		**7,837**	6,900
Trade and other receivables	*11*	**56,689**	45,816
Deposits and prepayments		**7,639**	6,288
Time deposit		**65,683**	62,954
Cash and cash equivalents		**20,378**	24,108
		159,193	147,064
Current liabilities			
Trade and other payables	*12*	**63,709**	52,694
Contract liabilities		**1,852**	1,401
Other borrowing		**2,392**	–
Lease liabilities		**1,458**	1,398
Provision		**1,058**	878
Income tax payable		**6,652**	6,889
		77,121	63,260
Net current assets		**82,072**	83,804
Total assets less current liabilities		**84,520**	87,345
Non-current liabilities			
Lease liabilities		**635**	1,645
Borrowing from a related party		**3,530**	3,313
		4,165	4,958
Net assets		**80,355**	82,387
Capital and reserves			
Equity attributable to equity shareholders of the Company			
Share capital		**32,638**	32,638
Reserves		**47,717**	49,749
Total equity		**80,355**	82,387

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Attributable to equity shareholders of the Company						
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Merger reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Statutory reserves** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2022	32,638	188,107	2,135	10,092	(153,101)	14,583	94,454
Loss for the year	–	–	–	–	(11,815)	–	(11,815)
Exchange differences on translating financial statements of foreign operations	–	–	–	(887)	–	–	(887)
Exchange reserves release upon deregistration of a subsidiary	–	–	–	635	–	–	635
Total comprehensive loss for the year	–	–	–	(252)	(11,815)	–	(12,067)
Statutory reserves release upon deregistration of a subsidiary	–	–	–	–	2,983	(2,983)	–
At 31 March 2023 and 1 April 2023	32,638	188,107	2,135	9,840	(161,933)	11,600	82,387
Loss for the year	–	–	–	–	(1,999)	–	(1,999)
Exchange differences on translating financial statements of foreign operations	–	–	–	(33)	–	–	(33)
Total comprehensive loss for the year	–	–	–	(33)	(1,999)	–	(2,032)
At 31 March 2024	32,638	188,107	2,135	9,807	(163,932)	11,600	80,355

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 Room 3815, Hong Kong Plaza, No. 188 Connaught Road West, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

These consolidated 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 consolidated 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 amendments to HKFRSs which are mandatorily 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 accounting period reflected in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

(a) The Group has applied the following new and amendments to HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period:

HKFRS 17 and related Amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has 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.

(b) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation ("Offsetting Arrangement") (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The Group has applied the guidance and changed its accounting policy in connection with its LSP liability. The guidance does not have a material impact on the Group's results and financial position for the current or prior periods that have been prepared or presented.

4. REVENUE

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

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue from the supply, development and integration of passenger information management system	**70,476**	59,046
CRMS income	**63,804**	80,932
Total revenue	**134,280**	139,978

5. OTHER REVENUE AND OTHER NET GAIN

	2024	2023
	HK$'000	*HK$'000*
Bank interest income*	**3,341**	1,771
Government grants	**455**	442
Other income	**970**	3,058
Other revenue	**4,766**	5,271
(Provision)/reversal of provision for product warranties, net	**(210)**	326
Gain on disposal of other financial assets	**46**	58
Net exchange gain	**133**	127
Other net (loss)/gain	**(31)**	511
	4,735	5,782

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

6. LOSS BEFORE TAXATION

	2024	2023
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting):		
(a) Staff costs, including directors' emoluments		
Salaries, wages and other benefits	**18,237**	18,147
Contributions to retirement benefit schemes	**1,946**	2,047
	20,183	20,194
(b) Other items		
Auditors' remuneration		
– audit service	**678**	690
Impairment loss (reversed)/recognised on trade receivables and contract assets	**(1,390)**	3,819
Cost of inventories sold*	**59,304**	52,927
Cost of services	**62,257**	80,619
Research and development costs#	**9,681**	8,870
Depreciation of property, plant and equipment		
– self-owned assets	**133**	237
– right-of-use assets	**1,426**	1,392
Loss on deregistration of a subsidiary	**–**	635
Provision/(reversal of provision) for product warranties, net##	**210**	(326)
Net exchange gain	**(133)**	(127)

* *Cost of inventories sold includes approximately HK$7,692,000 (2023: HK$7,549,000) 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$9,681,000 (2023: HK$8,870,000) which was included in cost of sales.

Provision/(reversal of provision) for product warranties, net are included in "Other revenue and other net gain" on the face of the consolidated statement of profit or loss and other comprehensive income.

	2024	2023
	HK$'000	*HK$'000*
(c) Finance costs		
Interest expenses on other borrowing and borrowing from a related party	**270**	520
Interest on lease liabilities	**112**	109
	382	629

7. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. This information is 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 CRMS income.

Segment revenue of Hong Kong comprises the revenue from CRMS income.

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, selling expenses 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 2024 and 2023 is set out below:

	The PRC		Hong Kong		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Disaggregated by timing of revenue recognition						
– Overtime	**–**	–	**–**	–	**–**	–
– Point in time	**130,547**	130,933	**6,885**	10,734	**137,432**	141,667
	130,547	130,933	**6,885**	10,734	**137,432**	141,667
Reportable segment profit	**11,636**	6,175	**1,083**	257	**12,719**	6,432
Research and development costs	**(9,681)**	(8,870)	**–**	–	**(9,681)**	(8,870)
Bank interest income	**3**	5	**3,338**	1,766	**3,341**	1,771
Gain on disposal of other financial assets	**46**	58	**–**	–	**46**	58
Loss on deregistration of a subsidiary	**–**	(635)	**–**	–	**–**	(635)
Depreciation	**(1,559)**	(1,629)	**–**	–	**(1,559)**	(1,629)
Impairment loss reversed/ (recognised) on trade receivables and contract assets	**1,354**	(3,952)	**36**	133	**1,390**	(3,819)
(Provision)/reversal of provision for product warranties, net	**(210)**	326	**–**	–	**(210)**	326
Reportable segment assets	**79,684**	67,089	**85,783**	91,622	**165,467**	158,711
Reportable segment assets includes:						
Additions to non-current assets (other than financial instruments and deferred tax assets)						
– Property, plant and equipment	**600**	3,526	**–**	–	**600**	3,526
Reportable segment liabilities	**74,028**	59,385	**4,432**	10,050	**78,460**	69,435

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

	2024 *HK$'000*	2023 *HK$'000*
Revenue:		
Total reportable segments' revenue	**137,432**	141,667
Elimination of inter-segment revenue	**(3,152)**	(1,689)
Consolidated revenue	**134,280**	139,978
Profit/(loss):		
Total reportable segments' profit	**12,719**	6,432
Elimination of inter-segment profit	**–**	–
Reportable segment profit derived from the Group's external customers	**12,719**	6,432
Bank interest income	**3,341**	1,771
Financial costs	**(382)**	(629)
Unallocated head office and corporate expenses	**(17,677)**	(19,389)
Consolidated loss before taxation	**(1,999)**	(11,815)
Assets		
Total reportable segments' assets	**165,467**	158,711
Elimination of inter-segment receivables	**(3,826)**	(8,106)
Consolidated total assets	**161,641**	150,605
Liabilities		
Total reportable segments' liabilities	**78,460**	69,435
Elimination of inter-segment payables	**(3,826)**	(8,106)
	74,634	61,329
Current tax liabilities	**6,652**	6,889
Consolidated total liabilities	**81,286**	68,218

(c) Revenue from major products and services

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

	2024 *HK$'000*	2023 *HK$'000*
Supply, development and integration of passenger information management system	**70,476**	59,046
CRMS income	**63,804**	80,932
	134,280	139,978

(d) Other geographical information

	Non-current assets	
	2024	2023
	HK$'000	*HK$'000*
The PRC	**2,445**	3,541
Hong Kong	**3**	–
	2,448	3,541

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

	Revenue from external customers	
	HK$'000	*HK$'000*
The PRC	**126,111**	125,079
Hong Kong	**6,037**	14,262
Malaysia	**101**	637
Turkey	**2,031**	–
	134,280	139,978

The geographic location of revenue from external customers is based on the location of which the services were rendered or goods were delivered.

(e) Information about major customers

Revenue from two (2023: two) largest customers contributed to the revenue of HK$57,601,000 (2023: HK$62,536,000) and HK$20,708,000 (2023: HK$16,127,000), respectively, which individually represent more than 10% of the Group's total revenue. All these customers are under the PRC reportable segment.

8. INCOME TAX

(a) The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong was 16.5% for the years ended 31 March 2024 and 2023, 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 2024 and 2023 is taken into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of HK$3,000 (2022/23: HK$6,000) for each business.

(b) 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 2023. The remaining PRC subsidiaries were qualified as "Small Low-profit Enterprise" and subject to a concessionary PRC EIT rate.

(c) 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.

(d) Reconciliation between tax expenses and accounting loss at the applicable tax rates:

	2024 ***HK$'000***	2023 *HK$'000*
Loss before taxation	**(1,999)**	(11,815)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the countries concerned	**(385)**	(2,761)
Tax effect of non-taxable income	**(557)**	(290)
Tax effect of non-deductible expenses	**398**	1,205
Tax effect of unused tax losses not recognised	**544**	1,885
Tax effect of utilisation of tax loss previously not recognised	**–**	(42)
Tax effect of temporary differences not recognised	**–**	3
Tax charge	**–**	–

9. DIVIDENDS

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of reporting period (2023: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$1,999,000 (2023: HK$11,815,000) and the weighted average number of 326,380,750 ordinary shares in issue during the years.

(b) Diluted loss per share

The basic and diluted loss per share are the same for the years ended 31 March 2024 and 2023, as there are no potentially dilutive ordinary shares in issue during the years.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**50,191**	50,955
Bills receivables	**12,284**	1,966
Trade and bills receivables	**62,475**	52,921
Less: Allowance for doubtful debts	**(7,640)**	(8,915)
	54,835	44,006
Other receivables	**1,854**	1,810
	56,689	45,816

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:

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**37,227**	35,353
Between 91 and 180 days	**12,514**	3,044
Between 181 and 365 days	**4,244**	4,043
Between 1 and 2 years	**850**	1,566
	54,835	44,006

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

12. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**58,686**	45,130
Other payables	**1,854**	4,460
Interest payable	**300**	–
Accrued wages	**1,040**	1,170
Payables for value-added tax	**1,829**	1,934
	63,709	52,694

Included in trade and other payables are trade 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:

	2024	2023
	HK$'000	*HK$'000*
Trade payables		
Within 90 days	**13,022**	19,820
Between 91 and 180 days	**8,985**	7,624
Between 181 and 365 days	**19,340**	10,861
Between 1 and 2 years	**12,447**	4,889
Over 2 years	**4,892**	1,936
	58,686	45,130

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

During the year under review, Guangzhou Global Link implemented the additional purchase for Guangzhou Metro Line 2 and the delivery of equipments relating to train information system for projects such as Guangzhou Metro Line 11, Wuhan Metro Line 16, Qianchuan Metro Line, Harbin Metro Lines 1, 2 and 3, as well as the Istanbul Airport Line in Turkey in accordance with signed contracts. At the same time, the delivery of spare parts was also implemented in metros of relevant cities and subsidiaries under the CRRC in various places. The sales relating to the rail transit information system for the period amounted to approximately HK$70,476,000, representing an increase of approximately 19% as compared with approximately HK$59,046,000 in the last corresponding period. The results of the Group's CRM business in the Greater Bay Area declined during the period. Sales of the CRM business amounted to approximately HK$63,804,000, representing a decrease of approximately 21% as compared with approximately HK$80,932,000 in the last corresponding period. During the period, the sales of the Group amounted to approximately HK$134,280,000, representing a decrease of approximately 4% as compared with approximately HK$139,978,000 in the last corresponding period.

Gross profit and loss attributable to equity shareholders

For the year ended 31 March 2024, the Group recorded gross profit of approximately HK$12,719,000, representing an increase of approximately 98% as compared with approximately HK$6,432,000 in the last corresponding period, and the loss attributable to equity shareholders during the year amounted to approximately HK$1,999,000, representing a decrease of approximately 83% as compared with approximately HK$11,815,000 in the last corresponding period.

Selling expenses

During the year under review, selling expenses were approximately HK$10,350,000, representing an increase of approximately 4% as compared to the last corresponding period.

Administrative expenses

During the year under review, administrative expenses were approximately HK$10,111,000, representing an increase of approximately 12% as compared to the last corresponding period.

Other revenue and other net gain

During the year under review, other revenue and other net gain were approximately HK$4,735,000, representing a decrease of approximately 18% as compared with approximately HK$5,782,000 in the last corresponding period.

BUSINESS REVIEW

Guangzhou Global Link Communications Inc. ("Guangzhou Global Link"), a subsidiary of the Group, implemented the enterprise's operating activities relating to vehicle information systems for urban rail transit under the guidance of the Chinese government's economic development policies and in accordance with the investment and project progress of rail transit in various major cities. During the year, under the signed contracts, Guangzhou Global Link implemented the additional purchase for Guangzhou Metro Line 2 and the delivery of a train information system for projects such as Guangzhou Metro Line 11, Wuhan Metro Line 16, Qianchuan Metro Line, Harbin Metro Lines 1, 2 and 3, as well as the Istanbul Airport Line in Turkey. At the same time, the delivery of spare parts was also implemented in metros of relevant cities and subsidiaries under the CRRC in various places. Smart metro, smart operation and maintenance and unmanned driving are the development trends of urban rail transit. Although enterprises' business performance has been unsatisfactory in recent years, we have continuously strengthened our investment in research and development and innovation in products and solutions to further enhance our competitive advantages. At the same time, Guangzhou Global Link continued to review and optimize its system development and uninterrupted operation and maintenance services for its product deliveries to complement the after-sales services offered by vehicle manufacturers to various railway owners.

During the year, HIBOR showed an upward trend due to the impact of the significant interest rate hike in the United States, which increased the operational burden of enterprises and affected their economic development. Hong Kong people flocking to Mainland China for consumer spending during holidays, and their consumption patterns changed from confining spending in Hong Kong during the epidemic to flocking to Mainland China for consumer spending, further highlighting the predicament faced by the Hong Kong economy. The Group's CRM business was also affected by the slowdown of the Mainland economy and the downturn of Hong Kong's economy, which hindered our business development and resulted in a slight decrease in CRM revenue during the year as compared with the last corresponding period.

BUSINESS OUTLOOK

The rail transit in the Chinese market has witnessed nearly 20 years of tremendous investment and high-speed development. China has correspondingly promulgated a number of policy guidelines and norms according to the financial, transport capacity and construction benefits of various regions, and the planning and construction policies are increasingly tightened, and the approval of cities applying for the construction of urban rail transit has been gradually slowed down. In the last two years of the "Fourteenth Five-Year" plan, the approval of new investment projects still shows an inevitable continuous tightening trend. During this period, trains that have been in operation for over 10 years in various central cities will gradually enter the stage of interim maintenance and general overhaul, which will bring certain market opportunities to enterprises in the industry.

The Company is confident that the economic and development potential brought about by the increased city interconnectivity in the Greater Bay Area, and the consolidation and integration of various industries will create more business opportunities and we expect to select the most effective solution among the numerous business opportunities, bringing new development opportunities for the Group's CRM business. The Company actively participates in the integration activities of various industries, and designs and provides all-round quality services to its customers with a customer-centric approach, which enables the Group's CRM business to embrace more diversified development.

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 2024, the Group had total time deposit, cash and cash equivalents, amounting to approximately HK$86,061,000 (2023: approximately HK$87,062,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group had net current assets of approximately HK$82,072,000 (2023: approximately HK$83,804,000), of which approximately HK$86,061,000 (2023: approximately HK$87,062,000) 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 Renminbi and Hong Kong dollars. No hedging or other alternatives have been implemented. The Group will continue to monitor its exposure closely and take measures to lower the foreign currency risk when necessary.

EMPLOYEE AND SALARIES POLICY

As at 31 March 2024, the Group had 168 employees (2023: 180 employees), with 159 employees and 9 employees employed in the PRC and Hong Kong, respectively.

	At 31 March 2024 *Number of staff*	At 31 March 2023 Number of staff
Management, finance and administration	**30**	29
Research and development	**39**	42
Sales and after-sales maintenance	**99**	109
Total	**168**	180

The total staff costs, including Directors' emoluments, amounted to approximately HK$20,183,000 (2023: approximately HK$20,194,000) 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 2024.

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 published by the Company dated 30 March 2016 (the "2016 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 "2016 Subscription Proceeds"), amongst which approximately HK$70.5 million had been utilised as at 31 March 2024. The breakdown of the Company's actual use of the 2016 Subscription Proceeds as at 31 March 2024 is as follows:

	Proposed use of the 2016 Subscription Proceeds as disclosed in the 2016 Circular	**Actual use of the 2016 Subscription Proceeds as at 31 March 2024**	**Remaining balance of the 2016 Subscription Proceeds as at 31 March 2024**
	HK$ million	*HK$ million*	*HK$ million*
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	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	32.6	8.5
Working capital	7.9	7.9	0
Total	79.0	70.5	8.5

In view of the current industry trend and based on the best estimation of future market conditions made by the Group, it is expected that the Group will fully utilise the 2016 Subscription Proceeds by 31 March 2025. It will be subject to change based on the current and future development of market conditions. The Group will apply its financial resources, including but not limited to, funds from the 2016 Subscription Proceeds based on market conditions and opportunities.

There has been a delay in the expected timeline for the use of funds from the 2016 Subscription Proceeds allocated for the development of the "Smart City" project by using the Group's existing Certificate Authority-SIM (CA-SIM) technology. The latest progress of the project is summarised below:

(i) The Group previously disclosed that the Group has been upgrading and developing the CA-SIM products and the related mobile applications to be compatible with the 5G network specifications to meet the demand of the market end-users. After due and careful consideration, the Group decided to suspend further research and development efforts on the 5G network version of the CA-SIM products in the first half of the financial year 2023, taking into account that (1) the Group has encountered technical development difficulties related to the 5G network version of the CA-SIM; (2) more funding is needed to continue the research and development work in order to overcome such technical bottleneck; and (3) the Group has assessed that the additional costs associated with continuing the research and development work would be substantial and therefore the 5G network version is less commercially feasible for the Group.

(ii) Following the relaxation of the COVID-19-related restrictive measures in the PRC and globally in early 2023, the Group has continued to actively negotiate and discuss with the relevant government authorities in certain overseas countries for "Smart City" development business opportunities and pilot programme cooperation, the potential implementation and development of the Group's "Smart City" projects will be primarily based on the Group's existing 4G network compatible products.

The Company will continue to work closely with business partners in the development and implementation of the "Smart City" project and will update shareholders on further progress as and when appropriate.

The remaining balance of the unutilised 2016 Subscription Proceeds has been kept in the banks as deposits.

As at 31 March 2024, there is no plan to change the original intended use of the proceeds as disclosed in the 2016 Circular.

USE OF PROCEEDS FROM THE SUBSCRIPTION COMPLETED ON 13 NOVEMBER 2019

Mr. Li Kin Shing, the chairman of the Board and the controlling shareholder of the Company, completed the subscription of 1,175,000,000 new shares of the Company on 13 November 2019, details of which are included in the announcements of the Company dated 28 August 2019, 24 October 2019 and 13 November 2019 and the circular of the Company dated 9 October 2019 (the "2019 Circular"). The net proceeds of the said subscription were approximately HK$40.0 million (the "2019 Subscription Proceeds"). On 7 March 2023, after careful consideration and detailed evaluation of the Group's operations and business strategy, the Directors had resolved to change the use of the remaining unutilised net proceeds from the subscription in the amount of approximately HK$35.4 million to be used as general working capital of the Group, details of which is included in the announcement of the Company dated 7 March 2023. The breakdown of the Company's actual use of the 2019 Subscription Proceeds as at 31 March 2024 is as follows:

	Proposed use of the 2019 Subscription Proceeds as disclosed in the Circular *HK$ million*	**Revised use of the 2019 Subscription Proceeds** *HK$ million*	**Actual use of the 2019 Subscription Proceeds as at 31 March 2024** *HK$ million*	**Remaining balance of the 2019 Subscription Proceeds as at 31 March 2024** *HK$ million*
General working purposes and in particular the procurement of the POS equipment with the Company's patented 2.4G technology software installed to meet the potential orders from the Group's business partner	40.0	4.6	4.6	0
General working capital of the Group	0	35.4	35.4	0
Total	40.0	40.0	40.0	0

As at 31 March 2024, the Board confirmed that the 2019 Subscription Proceeds has been fully utilised in accordance with the intentions previously announced by the Company in the 2019 Circular and the announcement dated 7 March 2023.

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 in Appendix C1 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 2024 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, 26 June 2024

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.