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**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)

**MAJOR AND CONNECTED  
TRANSACTION IN RELATION TO  
THE PROPOSED DISPOSAL OF A SUBSIDIARY**

**THE DISPOSAL**

The Board announces that on 27 July 2020 (after trading hours), the Company as vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing 60% of the issued share capital of the Target Company, at a total Consideration of HK\$24,548,000. Upon Completion, the Company will dispose its entire shareholding interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company.

The Target Group is an electronic payment terminals solutions provider, principally engaging in the provision of business development solutions, system enhancement and maintenance services, and ancillary services to its customers, including telecommunications service providers, transportation service providers and merchants in the PRC.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, the Target Company is a 60% owned subsidiary of the Company and is owned by the Purchaser as to 40%. Therefore, the Purchaser is a substantial shareholder of the Target Company and is a connected person of the Company at the subsidiary level under the GEM Listing Rules. The Disposal thus constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Since the connected transaction between the Company and the Purchaser are on normal commercial terms, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

Further, as one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are 25% or more and all applicable percentage ratios (as defined under the GEM Listing Rules) are less than 75%, the Disposal constitutes a major transaction for the Company under the GEM Listing Rules and is subject to notification, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the GEM Listing Rules if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, Mr. Li Kin Shing, a controlling Shareholder and an executive Director of the Company, owns 164,877,714 Shares in the Company representing approximately 50.52% of the issued share capital of the Company. Pursuant to Rule 19.44 of the GEM Listing Rules, Mr. Li has issued a written shareholder's approval certificate to approve the Disposal Agreement and the transactions contemplated thereunder and accordingly, no extraordinary general meeting will be convened by the Company to approve the Disposal Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Disposal Agreement and the Disposal; and (ii) other information as required to be disclosed under the GEM Listing Rules is expected to be despatched for the Shareholders' information on or before 17 August 2020.

The Board announces that on 27 July 2020 (after trading hours), the Company as vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing 60% of the issued share capital of the Target Company, at a total Consideration of HK\$24,548,000 pursuant to the terms of the Disposal Agreement.

## **THE DISPOSAL AGREEMENT**

The principal terms of the Disposal Agreement are set out below:

### **Date**

27 July 2020 (after trading hours)

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

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is a Chinese citizen who is a shareholder holding 40% of the issued share capital of the Target Company as at the date of this announcement. Accordingly, the Purchaser is a substantial shareholder of the Target Company and is a connected person of the Company at the subsidiary level under the GEM Listing Rules.

### **Assets to be disposed of**

Pursuant to the Disposal Agreement, the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell, the Sale Shares, representing 60% of the issued share capital of the Target Company, free from all encumbrances. Further particulars of the Target Company and the Target Group are set out in the section headed "Information of the Target Group" in this announcement.

### **Consideration**

The Consideration of the Sale Shares is HK\$24,548,000 which shall be settled by the Purchaser in the following manner upon Completion:

- (i) HK\$12,548,000 by way of cash; and
- (ii) HK\$12,000,000 by way of cancellation and offsetting the Company's payment obligation under the Promissory Note in full.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser after taking into account, (i) the 2019 15-Months Audited Account of the Target Company; (ii) the unaudited consolidated financial statements of the Target Company for the three months ended 30 June 2020; and (iii) the future prospects of the principal business of the Target Group.

### **Settlement**

As disclosed in the Announcements, the Company acquired 60% of the issued share capital of the Target Company pursuant to the Acquisition Agreement from the Purchaser (as vendor thereunder) in May 2019. As settlement of part of the consideration of the acquisition under the Acquisition Agreement, being HK\$12,000,000, the Company (as purchaser therein) issued the Promissory Note to the Purchaser (as vendor therein). On 27 July 2020, in consideration of entering into the Disposal Agreement, the Company and the Purchaser executed a deed of amendment to extend the maturity date of the Promissory Note from 31 July 2020 to 16 October 2020. As at the date of this announcement, no part of the Promissory Note was repaid by the Company to the Purchaser. Pursuant to the terms of the Disposal Agreement, HK\$12,000,000 of the Consideration will be settled by the Purchaser by way of cancellation and offsetting the Company's payment obligation under the Promissory Note in full upon Completion.

Further, as disclosed in the Announcements, pursuant to the Acquisition Agreement, the Purchaser (as vendor thereunder) has irrevocably undertaken to indemnify the Company (as purchaser thereunder) the Shortfall if the audited net profit after tax of the Target Company for the 15 months period ended 31 March 2020 (the “**Actual Profit**”) recorded in the 2019 15-Months Audited Account is less than HK\$6,200,000 (the “**Guaranteed Profit**”), which can be offset against the principal amount of the Promissory Note payable by the Company. Based on the 2019 15-Months Audited Account, the Actual Profit was approximately HK\$4,173,000 which did not meet the Guaranteed Profit. As such, the Shortfall is calculated to be in the sum of HK\$7,848,362 according to the terms of the Acquisition Agreement. The Company and the Purchaser have agreed to the terms and conditions of the Disposal Agreement for the full and final settlement of the Shortfall under the Acquisition Agreement, pursuant to which, (i) upon Completion, the Purchaser’s payment obligation and liabilities in relation to the Shortfall under the Acquisition Agreement shall be settled in full and final and that the Company shall cease to have any right to claim against the Purchaser for the Shortfall or any part thereof under the Acquisition Agreement; and (ii) the Purchaser agreed not to offset any amount of the Shortfall against any unpaid amount of the Promissory Note payable by the Company unless the Completion does not take place on or before the Long Stop Date.

### **Conditions Precedent**

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

- (1) the Company having obtained written shareholders’ approval in respect of the Disposal Agreement and the Disposal in accordance with its articles of association and the GEM Listing Rules;
- (2) the Board having approved and authorised the Disposal Agreement and the transactions contemplated thereunder; and
- (3) all the necessary waivers, consents and approvals required to be obtained on the part of the Company in respect of the Agreement and the transactions contemplated thereunder having been obtained (if any).

The Conditions Precedent set out in sub-paragraph (3) above can be waived by the Purchaser at any time on or before the Long Stop Date by notice in writing to the Company. If any of the Conditions Precedent set out above is not fulfilled and/or (where applicable) waived on or before noon on the Long Stop Date, save for the governing law and other miscellaneous matters, the Disposal Agreement shall cease and terminate.

## Completion

Completion will take place on a day within 10 Business Days after the last outstanding Conditions Precedent shall have been fulfilled and/or (where applicable) waived in accordance with the Disposal Agreement (or such other date as the Company and the Purchaser may agree).

Upon Completion, the Company will dispose its entire shareholding interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company.

## INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. The Target Company holds the entire equity interest in Shanghai Xunshan, a company established in the PRC. Shanghai Xunshan is an electronic payment terminals solutions provider, principally engaging in the provision of business development solutions, system enhancement and maintenance services, and ancillary services to its customers, including telecommunications service providers, transportation service providers and merchants in the PRC.

Based on the 2019 15-Months Audited Account, the audited consolidated total assets value and net assets value of the Target Company as at 31 March 2020 were approximately HK\$8,496,000 and HK\$3,979,000, respectively, of which 60% (as represented by the Sale Shares) amounted to approximately HK\$5,098,000 and HK\$2,387,000, respectively. Set out below is certain unaudited consolidated financial information of the Target Company for each of the two years ended 31 March 2020:

	<b>For the year ended 31 March 2019 (unaudited) HK\$'000 (Approximately)</b>	<b>For the year ended 31 March 2020 (unaudited) HK\$'000 (Approximately)</b>
Turnover	1,500	13,335
Profit before taxation	1,142	3,261
Profit after taxation	1,142	2,900

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

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

The Company acquired 60% of the issued share capital of the Target Company from the Purchaser in May 2019. At that time, the Directors expected the said acquisition would, among others, broaden the source of income of the Group and enable the Group to tap into the transportation payment solutions industry in the PRC. However, the Target Company did not perform in accordance with the expectation of the Group. The audited net profit after tax of the Target Company for the 15 months period ended 31 March 2020 recorded in the 2019 15-Months Audited Account has only reached approximately 67.3% of the expected profit target of the Target Company at HK\$6,200,000, which is also the guaranteed profit of the Purchaser under the Acquisition Agreement. After evaluating the business prospects of the Target Group and the general challenging market condition of the transportation industry in the PRC since the beginning of 2020 due to the outbreak of the novel coronavirus in the PRC, the Directors considered that it would be more beneficial for the Company to focus its resources on the development of its other businesses. The Directors have recently discussed with the Purchaser on the business prospect of the Target Group and acknowledged that the Purchaser is willing to purchase the Sale Shares. The Directors consider that the Disposal can allow the Company to exit the previous investment in the Target Group at a fair price with an estimated potential gain of approximately HK\$21,000, which is calculated by the Consideration less the aggregate of (i) the 60% equity interest of the unaudited net assets value of the Target Group attributable to the owners of the Company as at 30 June 2020; (ii) the recognition of goodwill as at 30 June 2020; (iii) the exchange reserves expected to be released upon Completion; and (iv) the settlement of the Shortfall receivable from the Purchaser upon Completion. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit.

Upon Completion, the net proceeds generated therefrom will be applied to potential investments and/or general working capital of the Company and shall thereby strengthen the cash flow of the Company. It may allow a more efficient allocation of internal resources of the Company which in turn facilitates a stronger liquidity of the Company for prospective future development.

The terms of the Disposal Agreement were determined after arm's length negotiations between the Company and the Purchaser and having considered the reasons for and benefits of the Disposal as mentioned above. The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) have unanimously approved the Disposal Agreement and the transactions contemplated thereunder. None of the Directors had material interests in the Disposal Agreement and hence no Director is required to abstain from voting on the resolutions approving the Disposal Agreement and the transactions contemplated thereunder.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, the Target Company is a 60% owned subsidiary of the Company and is owned by the Purchaser as to 40%. Therefore, the Purchaser is a substantial shareholder of the Target Company and is a connected person of the Company at the subsidiary level under the GEM Listing Rules. The Disposal thus constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Since the connected transaction between the Company and the Purchaser are on normal commercial terms, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

Further, as one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are 25% or more and all applicable percentage ratios (as defined under the GEM Listing Rules) are less than 75%, the Disposal constitutes a major transaction for the Company under the GEM Listing Rules and is subject to notification, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the GEM Listing Rules if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, Mr. Li Kin Shing, a controlling Shareholder and an executive Director of the Company, owns 164,877,714 Shares in the Company representing approximately 50.52% of the issued share capital of the Company. Pursuant to Rule 19.44 of the GEM Listing Rules, Mr. Li has issued a written shareholder's approval certificate to approve the Disposal Agreement and the transactions contemplated thereunder and accordingly, no extraordinary general meeting will be convened by the Company to approve the Disposal Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Disposal Agreement and the Disposal; and (ii) other information as required to be disclosed under the GEM Listing Rules is expected to be despatched for the Shareholders' information on or before 17 August 2020.

## **DEFINITION**

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

“2019 15-Months Audited Account”	the audited consolidated financial statements of the Target Company for the 15 months period ended 31 March 2020 prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
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“Acquisition Agreement”	the conditional sale and purchase agreement entered into on 4 April 2019 (after trading hours) among the Company, the Purchaser and the Target Company in respect of the acquisition of 60% of the issued share capital of the Target Company by the Company (as purchaser therein) from the Purchaser (as vendor therein) pursuant to the terms and conditions therein
“Announcements”	announcements of the Company dated 4 April 2019 and 10 May 2019 in relation to the acquisition of 60% of the issued share capital of the Target Company pursuant to the Acquisition Agreement by the Company from the Purchaser (as vendor thereunder)
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong is generally open for business (other than a Saturday or Sunday or public holiday in Hong Kong)
“Company”	Global Link Communications Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Conditions Precedent”	the conditions precedent of the Disposal Agreement as set out under the paragraph headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it/them under the GEM Listing Rules
“Consideration”	the total consideration of HK\$24,548,000 of the Disposal to be settled in accordance with the terms and conditions of the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares from the Company to the Purchaser pursuant to the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement entered into on 27 July 2020 (after trading hours) between the Company and the Purchaser in relation to the Disposal
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Long Stop Date”	16 October 2020 (or such later date as the Company and the Purchaser may agree in writing)
“Mr. Li”	Mr. Li Kin Shing, a controlling Shareholder and an executive Director of the Company
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$12,000,000 issued by the Company on 10 May 2019 in favour of the Purchaser with maturity date on 31 July 2020, as amended by a deed executed by the Company and the Purchaser dated 27 July 2020 to extend the maturity date to 16 October 2020
“Purchaser”	Mr. 肖力 (Xiao Li*), a Chinese citizen who is the holder of 40% of the issued share capital of the Target Company as at the date of this announcement, being the purchaser under the Disposal Agreement
“Sale Shares”	60 issued shares in the share capital of the Target Company, representing 60% of the entire issued share capital of the Target Company
“Shanghai Xunshan”	上海尋山信息科技有限公司 (Shanghai Xunshan Information Technology Limited*), a company established in the PRC and is direct wholly-owned by the Target Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shortfall”	the shortfall of HK\$7,848,362 payable by the Purchaser to the Company in case the audited net profit of the Target Company recorded in the 2019 15-Months Audited Account did not reach the guaranteed profit of HK\$6,200,000 calculated according to the terms of the Acquisition Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it/them under the GEM Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it/them under the GEM Listing Rules
“Target Company”	Connect Cool Technology Limited, a company incorporated in Hong Kong with limited liability and is owned by the Company as to 60% and by the Purchaser as to 40% as at the date of this announcement
“Target Group”	the Target Company and its subsidiary, being Shanghai Xunshan
“%”	per cent

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

Hong Kong, 27 July 2020

\* *For identification purpose only*

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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