

**GLOBAL LINK COMMUNICATIONS HOLDINGS LTD :
TAKE A RIDE ON THE WILD SIDE !**

The Government of the People's Republic of China (PRC) is not known for being particularly generous, but it is known for being particularly stupid with regard to the appointment of independent suppliers of goods and services to PRC-Government entities and agencies.

Then, again, most governments of the world, today, are pretty stupid when it comes to commissioning private enterprise to perform tasks, or to supply goods or services to one or more of their entities.

Of course, some governments are more stupid than others. That goes without saying.

The Government of the PRC, in TARGET's opinion, ranks pretty high up there on the stupid ladder.

Global Link Communications Holdings Ltd (Code: 8060, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) claims to be engaged in the business of *'research and development and provision of telecommunications software for new telecommunications services and value-added telecommunications services as well as provision of other communication network solutions ...'* (Page 60 of the Company's Placing Prospectus, dated October 31, 2002)

However, in the past 2 Financial Years, ended March 31, 2002, the Profit and Loss Account indicates that, in the 2001 Financial Year, the Turnover of this Company comprised 94.41 percent *'Sales of goods'*, and, in the 2002 Year, *'Sales of goods'* comprised 96.19 percent. (Page 125)

This Company's largest customers are entities of the Government of the PRC.

Page 66 of the Prospectus makes this fact only too clear. It states:

'The customers of the Group mainly include small to medium virtual telecommunications operators and value-added telecommunications service providers and other enterprise customers ...'

'For each of the two years ended 31st March, 2002, the five largest customers of the Group accounted for approximately 55% and 59% of the Group's turnover respectively. The Group's single largest customer accounted for approximately 21% and 21% of the Group's turnover respectively during the same financial years. For the year ended 31st March, 2001, the Group's single largest customer is a subsidiary of a PRC backbone telecommunications operator which has been providing telecommunications value-added services including voice communication, professional telecommunications consultancy and Internet services. For the year ended 31st March, 2002, the Group's single largest customer is a state-owned communication enterprise principally engaged in wire-line based and wireless data communication network in the electric industry.'

For the edification of TARGET subscribers, all telecommunications companies in the PRC are owned by the State, directly, and all cellular communication services, operating in the PRC, are owned by the State, directly, also.

Still on this subject, clearly, that which Global Link is selling to PRC Government entities is computer hardware because the buying-in costs are given.

And, by simple arithmetic, Global Link is reselling that same hardware at a Gross Profit Margin of between 81 percent and 57 percent. (Page 126, Note 4)

As TARGET stated, at the outset of this report, most governments of the world, today, are pretty stupid when it comes to commissioning private enterprise to perform tasks or to supply goods.

Enough said about that topic, which is self-evident by that which TARGET has stated in the first part of this analysis.

Global Link's Share Placement

Global Link Placed 162.50 million, one-cent Shares at a Premium of 35 cents per Share.

Of those 162.50 million Shares, 78 million Shares were New Shares, while 84.50 million Shares were those, formerly belonging to Mr Ma Yuan Guang, the Chairman of the Company, and Mr Chau Siu Piu, an Executive Director and a ... [CLICK TO ORDER FULL ARTICLE](#)

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