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iLink Holdings Limited
合縱連網控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

**PROPOSAL FOR SUBDIVISION OF SHARES OF HK\$0.10 EACH
INTO FIVE SUBDIVIDED SHARES OF HK\$0.02 EACH**

SUMMARY

The Board proposes that each of the existing issued and unissued Shares be subdivided into five Subdivided Shares of HK\$0.02 each. The Share Subdivision is conditional upon fulfillment of the conditions referred to in the paragraph headed “Conditions of the Share Subdivision”. Following the Share Subdivision, the Subdivided Shares will be traded in board lots of 5,000 instead of the present board lots of 2,000 Shares.

SHARE SUBDIVISION

The board of directors (the “Board”) of iLink Holdings Limited (the “Company”) proposes that each of the existing issued and unissued shares of HK\$0.10 each (“Shares”) in the share capital of the Company be subdivided (“Share Subdivision”) into five shares of HK\$0.02 each (“Subdivided Shares”). It is noted that since the Shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the average daily trading volume of Shares account for approximately 0.7% of the Shares not under any lock-up restrictions. With the intention of further improving the liquidity of trading in Shares on GEM, the Board is of the view that the Share Subdivision is in the interest of the Company and its shareholders.

As at the date of this announcement, the authorised share capital of the Company is HK\$400,000,000, which is divided into 4,000,000,000 Shares, of which 1,053,474,922 Shares are in issue. Immediately upon completion of the Share Subdivision and on the basis that 1,053,474,922 Shares are in issue, 5,267,374,610 Subdivided Shares will be created pursuant to the Share Subdivision. Accordingly, the issued and paid up share capital of the Company will remain unchanged. The Subdivided Shares will rank pari passu in all respects with the Shares in issue prior to the Share Subdivision and the relative rights attached to the Shares will not be affected by the Share Subdivision.

CHANGE IN BOARD LOT SIZE

Following the Share Subdivision, the Subdivided Shares will be traded in board lots of 5,000 instead of the present board lots of 2,000 Shares.

FREE EXCHANGE OF SHARE CERTIFICATES

Holders of the Shares can exchange their existing Share certificates for new Subdivided Share certificates free of charge during the period from Monday, 20 August, 2001 to Thursday, 27 September, 2001 (both days inclusive).

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon, inter alia :

- (a) the passing of an ordinary resolution by shareholders of the Company at a special general meeting (the “SGM”); and
- (b) the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares.

EXPECTED TIMETABLE

The expected timetable for the Share Subdivision is as follows :

	2001
SGM circular despatched on or about	Thursday, 2 August
Latest time for lodging form of proxy in respect of SGM	10:00 a.m., Wednesday, 15 August
SGM	10:00 a.m., Friday, 17 August
Effective date for Share Subdivision	Monday, 20 August
Dealing in Subdivided Shares commences	10:00 a.m., Monday, 20 August
Existing counter for trading in existing Shares in board lots of 2,000 Shares temporarily closes	10:00 a.m., Monday, 20 August
Temporary counter for trading in Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing Share certificates) opens	10:00 a.m., Monday, 20 August
First day of free exchange of existing Share certificates for new Subdivided Share certificates	Monday, 20 August
Existing counter for trading in Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of new Subdivided Share certificates) re-opens	10:00 a.m., Monday, 3 September

Parallel trading in Subdivided Shares (in the form of new Subdivided Share certificates and existing Share certificates) commences 10:00 a.m., Monday, 3 September

Temporary counter of trading in Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing Share certificates) closes 4:00 p.m., Monday, 24 September

Parallel trading in Subdivided Shares (in the form of new Subdivided Share certificates and existing Share certificates) ends 4:00 p.m., Monday, 24 September

Last day for free exchange of existing Share certificates for new Subdivided Share certificates Thursday, 27 September

GENERAL

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares.

A circular containing, among other things, details of the trading arrangements in respect of the Subdivided Shares and a notice convening the SGM will be despatched to shareholders of the Company on or about 2 August, 2001.

By order of the Board
TAM Wai Keung, Billy
Director and Chief Executive Officer

Hong Kong, 27 July 2001

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the date of its posting.

** for identification purpose only*