
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

This circular, 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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

If you have sold or transferred all your shares in iLink Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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
AND
CHANGE IN BOARD LOT SIZE OF SHARES FOR TRADING**

A letter from the board of directors of iLink Holdings Limited is set out on pages 3 to 6 of this circular.

A notice convening an extraordinary general meeting of iLink Holdings Limited to be held at Hoi Yat Heen, 3rd Floor, Harbour Plaza North Point, 655 King's Road, North Point, Hong Kong on Friday, 17 August 2001 at 10:00 a.m. is set out on page 7 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the head office of the Company on 56th Floor, The Center, 99 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion of the proxy form will not preclude you from attending and voting at the meeting in person should you so wish.

This Circular 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.

2 August 2001

* for identification purpose only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM Website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	1
DEFINITIONS	2
LETTER FROM THE BOARD	
Introduction	3
Share Subdivision	4
Change in board lot size	4
Free exchange of Share certificate	4
Conditions of the Share Subdivision	4
Trading arrangement for the Subdivided Shares	4
Extraordinary General Meeting	6
General	6
Recommendation	6
NOTICE OF EXTRAORDINARY GENERAL MEETING	7

EXPECTED TIMETABLE

2001

Latest time for lodging form of proxy in respect of the Extraordinary General Meeting	10:00 a.m., Wednesday, 15 August
Extraordinary General Meeting	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 cetificates) 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

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by Hongkong Clearing
“Company”	iLink Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Directors”	directors of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on Friday, 17 August 2001 at 10:00 a.m., the notice of which is set out on page 7 of this circular
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Honkong Clearing”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	31 July 2001, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“Registrar”	the company’s branch registrar in Hong Kong, Central Registration Hong Kong Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s) or Subdivided Share(s)
“Share Subdivision”	the proposed subdivision of each of the issued and unissued Shares into five Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	share(s) of HK\$0.02 each in the capital of the Company proposed to be created by the Share Subdivision
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



iLink Holdings Limited
合縱連網控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

CHUNG Cho Yee, Mico (*Chairman*)
TAM Wai Keung, Billy (*Chief Executive Officer*)
CHEUNG Sum, Sam
LEE Brandon
LEUNG Man Leuk, Tommy
HUI Kwai
TANG King Fai

Non-executive Directors:

CHEN Johnson
LAM Wai Man, Virginia
NG Chi Shing

Independent non-executive Directors:

WONG Wing Shing
CHENG Kai Ming, SBS, JP

Registered Office:

Ugland House
South Church Street
P.O. Box 309 George Town
Grand Cayman
Cayman Islands
British West Indies

Head office and Principal Place of

Business:
56th Floor
The Center
99 Queen's Road Central
Hong Kong

2 August 2001

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR SUBDIVISION OF SHARES OF HK\$0.10 EACH
INTO FIVE SUBDIVIDED SHARES OF HK\$0.02 EACH
AND
CHANGE IN BOARD LOT SIZE OF SHARES FOR TRADING**

INTRODUCTION

The Board announced on 27 July 2001 that it had resolved to put to the Shareholders a proposal for the Share Subdivision. The purpose of this circular is to provide you with further information regarding the Share Subdivision and the notice of the Extraordinary General Meeting at which Shareholders will be requested to consider and if they think fit adopt the resolution relating to this proposal.

* for identification purpose only

LETTER FROM THE BOARD

SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into five shares of HK\$0.02 each. It is noted that since the Shares were listed on GEM, the average daily trading volume of the Shares accounted for approximately 0.7% of the Shares not under any lock-up restrictions. With the intention of further improving the liquidity of trading in the 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 Latest Practicable Date, 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, the authorised share capital of the Company will remain at HK\$400,000,000, which will be divided into 20,000,000,000 Subdivided Shares, 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 existing 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 the Shareholders at the Extraordinary General Meeting; and
- (b) the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares.

TRADING ARRANGEMENT FOR THE SUBDIVIDED SHARES

The Shares are listed and dealt on GEM. No part of the share capital of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

1. Dealings

Subject to the Share Subdivision becoming unconditional, the arrangements proposed for the dealings in the Subdivided Shares are expected to be as follows:

LETTER FROM THE BOARD

- (a) From 20 August 2001, the existing counter for trading in the Shares in board lots of 2,000 Shares will be temporarily closed and a temporary counter for trading in the Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing Share certificates) will be set up. Accordingly, one Share will be deemed to represent five Subdivided Shares. Existing Share certificates may only be traded at the temporary counter.
- (b) With effect from 3 September 2001, the existing counter for trading in the Shares will be reopened for trading in Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of new Subdivided Share certificates). Only new Subdivided Share certificates will be traded at the existing counter after reopening.
- (c) During the period from 3 September 2001 to 24 September 2001 (both dates inclusive), there will be parallel trading in Subdivided Shares at the above two counters.
- (d) With effect from 25 September 2001, trading will only be in the Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of new share certificates). The temporary counter for trading in the Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of the existing Share certificates) will be removed after the close of trading on 24 September 2001.

Dealings in the Subdivided Shares represented by existing Share certificates will cease after the close of business on 24 September 2001. Existing Share certificates will only be valid for delivery and settlement in respect of dealings for the period up to 24 September 2001 and thereafter will not be accepted for dealing purposes. However, the existing Share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for five Subdivided Shares and may be exchanged for new certificates at any time. Such Shareholders shall be entitled to tender their certificates for the Shares in exchange for certificates for the Subdivided Shares in board lots of 5,000 Subdivided Shares so that their shareholding may be accurately represented by the new Share certificates.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on GEM, the Subdivided Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on GEM or such other date as determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

2. Free exchange of certificates

Shareholders are urged to exchange their existing share certificates for new share certificates as soon as possible on or after 20 August 2001. This may be done free of charge by delivering the existing share certificates to the Registrar before 4:00 p.m. on 27 September 2001. Thereafter, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new share certificate issued. A Shareholder will be entitled to aggregate his/her Shares registered in his/her name in order to obtain new share certificates in the board lot size of 5,000 Subdivided Shares.

If Shareholders are able to lodge their certificates for the Shares between 9:00 a.m. and 4:00 p.m. on 20 August 2001, it is expected that new share certificates will be available for collection on or after 3 September 2001. If Shareholders lodge their certificates for the Shares after 20 August 2001, it is expected that new share certificates will be available for collection on or after the tenth business day from the date of submission of the existing share certificates to the Registrar for exchange. Unless instructed otherwise, new share certificates will be issued in board lots of 5,000 Subdivided Shares.

EXTRAORDINARY GENERAL MEETING

The notice of the Extraordinary General Meeting is set out on page 7 of this circular. At the Extraordinary General Meeting, an ordinary resolution will be proposed to approve the Share Subdivision.

A form of proxy for use at the Extraordinary General Meeting of the Company to be held at Hoi Yat Heen, 3rd Floor, Harbour Plaza North Point, 655 King's Road, North Point, Hong Kong at 10:00 a.m. on Friday, 17 August 2001 is enclosed. Whether or not you are able to attend the meeting, please complete and return the proxy form in accordance with the instructions printed thereon to the head office of the Company at 56th Floor, The Center, 99 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion of the proxy form will not preclude you from attending and voting at the meeting in person should you so wish.

GENERAL

The English text of this circular and form of proxy shall prevail over the Chinese text.

RECOMMENDATION

The Directors are of the opinion that the Share Subdivision is in the interests of the Company and the Shareholders and recommend that Shareholders vote in favour of the resolution to be proposed at the Extraordinary General Meeting.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



iLink Holdings Limited **合縱連網控股有限公司***

(Incorporated in the Cayman Islands with limited liability)

NOTICE is hereby given that an extraordinary general meeting of iLink Holdings Limited (the “Company”) will be held at Hoi Yat Heen, 3rd Floor, Harbour Plaza North Point, 655 King's Road, North Point, Hong Kong on Friday, 17 August 2001 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company in their subdivided form:

- a) every share of HK\$0.10 in the issued and unissued share capital of Company (the “Shares”) be and is hereby subdivided (the “Share Subdivision”) into five shares of HK\$0.02 each (the “Subdivided Shares”) with effect on and from 20 August 2001;
- b) the board lot size of the shares of the Company in trading be and is hereby increased from 2,000 Shares to 5,000 Subdivided Shares; and
- c) the board of directors of the Company be and is hereby authorised to take and do all such acts and things and to execute on behalf of the Company any documentation in connection therewith to effect the Share Subdivision”

By Order of the Board
LAM Yuk Lau
Company Secretary

Hong Kong, 2 August 2001

Head office and principal place of business:

56th Floor
The Center
99 Queen's Road Central
Hong Kong

* *for identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice may appoint any number of proxies to attend and vote in his/her stead in accordance with the articles of the Company. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's head office at 56th Floor, The Center, 99 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting should they so wish.
- (3) A form of proxy for use at the meeting is enclosed.