

**iLINK HOLDING LTD:  
GUARANTEED TO BE SUCCESSFUL**

Even the Sponsor of iLink Holdings Ltd (Code: 8107, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) cannot evaluate this Company's future prospects.

BNP Paribas Peregrine, the Sponsor of iLink Holdings, the newest company to seek a listing on The Growth Enterprise Market, has made this statement at Page 30 of the Placement Prospectus:

*'iLink.net (HK), the operating subsidiary of iLink.net, was incorporated in August 1999 and opened its first data centre in January 2000 to offer Internet connectivity, server hosting and co-location services, value added services and ASP (Application Service Provider) services. As a result, iLink.net has a limited operating history which makes it difficult to evaluate its business and prospects ...'.*

Of course, BNP Paribas is just covering its arse because senior management of this French banking house knows, only too well, that this new listing will be successful – because the eminence gris, Mr Richard Li Tzar Kai, will make it happen.

And, should Mr Richard Li Tzar Kai make an error (which is highly unlikely), then his father, Mr Li Ka Shing, one of the wealthiest men in the world, is always there to assist his Number Two Son – as history has proved in the not-too-distant past.

Mr Richard Li Tzar Kai, via Pacific Century CyberWorks Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd), owns about 47.90 percent of the Issued and Fully Paid-Up Share Capital of iLink Holdings, the Prospectus states at Page 120.

Further, according to Page 32 of the Prospectus:

*'The PCCW Group (Pacific Century CyberWorks Group of Companies) currently represents iLink.net's largest source of revenue. For the ten months ended 31<sup>st</sup> October, 2000, revenue from such sources accounted for approximately 40% of iLink.net's total revenue. In the event that PCCW decides to direct such business away from iLink.net, iLink.net will be materially and adversely affected.'*

So, it would behoove Mr Billy Tam Wai Keung, the 37-year-old, Chief Executive Officer of iLink.net, not to upset Mr Richard Li Tzar Kai, and to keep the great man on his side, all the time.

iLink Holdings would like to become *'a leading one-stop Internet application solution provider offering comprehensive Internet application solutions, including a wide range of data centre services and ASP services, targeting small and medium enterprises in Asia with a primary focus in Greater China ...'* (Page 2)

Thus far, as has been made only too apparent, this Company has had little experience in such an enterprise, but it has strong backing – and backing with oodles of cash.

The substantial shareholders of this Company are as follows:

1. Pacific Century CyberWorks, et al	47.90 percent
2. Messrs Ng Chi Shing and Johnny Chan Kin Hang	20.53 percent
3. Henderson Investment Ltd *	8.90 percent

4. HSBC International Trustee Ltd *	7.60 percent
5. Dell Computer Corporation *	4.63 percent

- \* Henderson Investment Ltd is a company,  
listed on the Main Board of The Stock Exchange of Hongkong Ltd, Code: 97
- \* Dell Computer Corporation is a publicly listed company on the  
NASDAQ Stock Market Incorporated of the US
- \* HSBC International Trustee Ltd holds the shares for 56 full-time employees of  
iLink Holdings and 14 full-time employees of Pacific Century CyberWorks Group

## **The Placement**

iLink Holdings is Placing 110 million, 10-cent shares at a Premium of \$HK1.18 per share.

At the end of the day, after all expenses are paid, it will have about \$HK121 million which, the Prospectus states, will be used as follows:

1. \$HK59 million *'to fund the plan of expanding its data centre business in Asia in 2001'*;
2. \$HK43 million *'to fund the operations of the data centre and ASP businesses for the year ending 31<sup>st</sup> December 2001'*;
3. \$HK12 million *'to fund the marketing and promotional activities for the year ending 31<sup>st</sup> December, 2001'*; and,
4. \$HK7 million to be used as additional working capital.

The Accountants' Report at Page 150 of the Prospectus indicates the following financial data:

	<b>For the 6 months to December 31, 1999</b>	<b>For the 10 months to October 31, 2000</b>
Turnover	Nil	\$HK25,382,000
Cost of Revenues	Nil	(\$HK22,943,000)
Gross Profit	Nil	\$HK2,439,000
Selling and Marketing Expenses	(\$HK829,000)	(\$HK15,252,000)
General and Administrative Expenses	(\$HK2,926,000)	(\$HK17,388,000)
Other Income	Nil	\$HK112,000
Loss from Operations	(\$HK3,755,000)	(\$HK30,089,000)
Interest Income	Nil	\$HK1,478,000
Loss before Taxation	(\$HK3,755,000)	(\$HK28,611,000)
Taxation	Nil	Nil
Net Loss Attributable to Shareholders	(\$HK3,755,000)	(\$HK28,611,000)
Loss Per Share (basic)	4.70 cents	9.9 cents

As at December 31, 2000, this Company had no material indebtedness, other than finance leases for equipment, amounting to about \$HK227,000.

In the past, this Company has been funded through shareholder loans, which, subsequently, were converted into common shares of the Company.

The Adjusted Net Tangible Assets amounted to \$HK357,666,000, as at October 31, 2000, a figure that included the estimated net proceeds from this cash-raising exercise.

The Company had Fixed Assets, at Net Book Value, as at October 31, 2000, of ... [CLICK TO ORDER FULL ARTICLE](#)

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