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Global Link

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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.10 each in the share capital of the Company.

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the EGM. As none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. A circular containing, among other matters, further details of (i) the Share Consolidation; and (ii) a notice of the EGM and related proxy form, shall be despatched to the shareholders on or before 17 December 2019.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

PROPOSED SHARE CONSOLIDATION

The Company intends to put forward a proposal to the Shareholders to effect the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of par value of HK\$0.01 each, of which 3,263,807,500 Shares have been issued as fully paid or credited as fully paid. Assuming that no further Shares are allotted, issued or repurchased between the date of this announcement and the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$50,000,000 divided into 500,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 326,380,750 Consolidated Shares will be in issue. The Company has no outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's articles of association.

Other than the expenses to be incurred, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 8 January 2020 being the second Business Day after the EGM.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

In view of the recent trading prices of the Shares at a level less than HK\$0.1 each and the existing board lot value being less than HK\$2,000, the proposed Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. As such, it would enable the Company to comply with the trading requirements under the GEM Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. Thus, the Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors and to extend the shareholder base of the Company. It is also hoped that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company. The Directors also believe that the Share Consolidation will provide greater opportunity for and more flexibility in the Company’s possible equity fund raising in the future.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

As at the date of this announcement, the Board has no current intention or plan, or otherwise foresee to undertake any equity fundraising; or any other corporate actions or arrangements that may affect the trading in the shares of the Company (e.g. share consolidation, subdivision or change in board lot size), in the next 12 months.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Shares to the Company's share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 13 February 2020 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of ten (10) Existing Shares for one (1) Consolidated Share.

The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the share certificates for the Existing Shares which are in yellow colour.

Application for listing of the Consolidated Shares

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation become effective.

Subject to the granting of the approval of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Based on the closing price of HK\$0.043 per Share as quoted on the Stock Exchange at the date of this announcement, the value for each board lot of 10,000 Shares was HK\$430 and the theoretical market value for each board lot of 10,000 Consolidated Shares assuming the Share Consolidation had become effective, would be HK\$4,300.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation which is indicative only and has been prepared on the assumption that all the conditions of the Share Consolidation will be fulfilled:

Expected despatch date of the circular,
proxy form and notice of the EGM on or before Tuesday, 17 December 2019

Latest time for lodging transfer of Shares
to qualify for attendance and voting at the EGM 4:30 pm on Monday, 30 December 2019

Register of members of the Company closes
(both dates inclusive) Tuesday, 31 December 2019 to Monday, 6 January 2020

Latest time for return of proxy form of the EGM 2:30 p.m. on Saturday, 4 January 2020

Record date for attendance and voting at the EGM Monday, 6 January 2020

Expected time and date of the EGM 2:30 p.m. on Monday, 6 January 2020

Announcement of the poll results of the EGM Monday, 6 January 2020

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation.

Effective date of the Share Consolidation Wednesday, 8 January 2020

First day of free exchange of existing share certificates
for new share certificates for the Consolidated Shares Wednesday, 8 January 2020

Commencement of dealings in the
Consolidated Shares 9:00 am on Wednesday, 8 January 2020

Original counter for trading in the Existing Shares
in board lot size of 10,000 Shares
(in form of existing share certificates)
temporarily closes 9:00 am on Wednesday, 8 January 2020

Temporary counter for trading in the Consolidated Shares
in board lot size of 1,000 Consolidated Shares
(in form of existing share certificates) opens 9:00 am on Wednesday, 8 January 2020

Original counter for trading in the Consolidated Shares
in board lot size of 10,000 Consolidated Shares
(in the form of new share certificates for
Consolidated Shares) re-opens..... 9:00 am on Wednesday, 22 January 2020

Parallel trading in the Consolidated Shares
(in the form of new and existing
certificates) commences 9:00 am on Wednesday, 22 January 2020

Designated broker starts to stand in the market
to provide matching services for
odd lots of the Consolidated Shares 9:00 am on Wednesday, 22 January 2020

Temporary counter for trading in board lot size of
1,000 Consolidated Shares (in form of existing
share certificates) closes 4:10 pm on Thursday, 13 February 2020

Parallel trading in the Consolidated Shares (in the
form of new and existing certificates) ends 4:10 pm on Thursday, 13 February 2020

Designated broker ceases to stand in the market
to provide matching services for
odd lots of Consolidated Shares 4:10 pm on Thursday, 13 February 2020

Latest time of free exchange of existing share
certificates for new share certificates for the
Consolidated Shares 4:30 pm on Monday, 17 February 2020

Notes:

1. All times in this announcement refer to Hong Kong times.
2. The Company will make further announcement if there is any change to the above timetable.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. As none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

A circular containing, among other matters, further details of (i) the Share Consolidation; and (ii) a notice of the EGM and related proxy form, shall be despatched to the Shareholders on or before 17 December 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

- “associate(s)” : has the meaning ascribed to it/them under the GEM Listing Rules
- “Board” : the board of Directors
- “Business Day” : any day (excluding Saturdays and Sundays) on which banks generally are open for business in Hong Kong
- “CCASS” : The Central Clearing and Settlement System established and operated by HKSCC

“Company”	:	Global Link Communications Holdings Limited, a company incorporated in the Cayman Islands, the securities of which are listed on the GEM
“Consolidated Share(s)”	:	ordinary share(s) with a par value of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	:	the director(s) of the Company from time to time
“EGM”	:	the extraordinary general meeting of the Company convened for the purpose of considering and, if thought fit, approving, among other things, the Share Consolidation
“GEM”	:	the GEM 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 dollar, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	:	Hong Kong Securities Clearing Company Limited
“Listing Committee”	:	has the meaning ascribed to it in the GEM Listing Rules
“Shareholder(s)”	:	holder(s) of the Share(s), the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share(s)” or “Existing Share(s)”	:	ordinary share(s) with a par value of HK\$0.01 each in the capital of the Company
“Share Consolidation”	:	the proposed consolidation of every ten (10) issued and unissued Shares into one (1) Consolidated Share

“Stock Exchange” : The Stock Exchange of Hong Kong Limited

By Order of the Board
Global Link Communications Holdings Limited
Li Kin Shing
Chairman

Hong Kong, 29 November 2019

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