



# AMLINK GROUP LIMITED

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## DEMERGER OF EVENTS BUSINESS & ACQUISITION OF ONLINE CASINO SOFTWARE LICENCE

The directors of Amlink wish to advise that for the last 2 years they have been looking at alternative ways to grow both the asset base of the company and in turn increase its profitability. Following the September 11, 2001 terrorist attacks, SARS and the turmoil that they have brought to the travel industry, it has been difficult to obtain growth through the EVENTS software business. Whilst it continues to be successful it is anticipated that the 50% of EVENTS owned by Amlink will not be large enough to sustain a public listed vehicle and the substantial administrative costs associated with such an entity.

### **Demerger of EVENTS**

Amlink intends to distribute to existing Amlink shareholders, on a pro rata basis by way of a return of capital, shares in the unlisted entity that holds the 50% of EVENTS owned by Amlink.

After the pro rata demerger of EVENTS it is anticipated that 5 million shares in Amlink, held by Messrs. Gardiner & Hayward (or entities associated with them), will be acquired by Jumbo Corporation Limited (ASX Code JUM).

Messrs. Gardiner & Hayward would also resign from the board at that time. Mr Mike Veverka, Managing director of Jumbo, will be invited to join the Amlink board if shareholders approve all the transactions contemplated within this release. In addition to this a third director will be appointed to join David Barwick who would remain as Chairman and a shareholder of Amlink.

### **Online Casino Licence Acquisition**

Simultaneously with the distribution of the Events shares, the directors wish to advise, that they have agreed in principal to enter into agreement with the shareholders of Global Approach Pty Ltd (Global) to acquire 100% of the equity of Global, which is a private company. Global commenced operations in April 2003 having acquired a software licence agreement for an online casino (Music Hall Casino), which operates in various jurisdictions around the world (excluding Australia). The total cost of the licence acquisition by Global was A\$750,000. Music Hall Casino is a potentially highly profitable operation, which, since it commenced operations has turned over A\$37.1 million with gross revenue of A\$1.2 million. David Barwick, Chairman of Amlink, is also a substantial shareholder in Global. Jumbo is also a shareholder in Global, and it is anticipated that Jumbo will hold 19.9% of Amlink at the time of completion of the proposed transactions.

Global has 11 shareholders none of whom hold more than 19% of that company. The licence agreement, which Music Hall Casino holds is managed by an unrelated entity, Fireband Ltd and the gaming licence, is registered with the Kahnawake Gaming Commission in the territory of Kahnawake, Canada. The agreement with Fireband is on commercial terms and is subject to review at 31 December 2004. The Management Company's Executive Team has over 100-man years experience in casino gaming and online activities. This team's experience covers the establishment of major land based casinos and online casinos. The management company features a 24/7 multilingual call centre, latest in payment processing, specialist internet marketing & promotional services.

The Music Hall Casino uses the latest software from the world's leading supplier of Online Gaming Software. The software supplier has been in operation since 1996.

A summary of the proposal for Amlink to acquire 100% of Global is:

1. Global shareholders will receive 20 million ordinary shares @ 6 cents each making the purchase price \$1.2 million.
2. If Amlink achieves an EBITDA profit of A\$1 million in the year ended 31<sup>st</sup> December 2004 Global shareholders will be entitled to a bonus of 5 million Amlink shares. This bonus has a deemed value of A\$300,000.
3. If Amlink does not achieve an EBITDA profit of at least A\$250,000 then 5 million of the original shares issued to Global shareholders will be forfeited.
4. Global shareholders have agreed to 5 million Amlink shares being escrowed until item (3) above has been satisfied. Mr David Barwick and entities controlled by him will be escrowed for at least 12 months by the ASX. The remaining Global shareholders have agreed to a voluntary escrow for a 12 month period.
5. This acquisition will be subject to completion of the proposed demerger of the EVENTS business.
6. Amlink will also change its name to "Global Approach Limited" as part of the transaction

The table below will show the escrow period for each of the Global shareholders:

Shareholder	Voluntary Escrow 12 Months	Escrow 12 Months	Voluntary Escrow (Item 3)	Total
DK Barwick Investments Pty Ltd		904,705	301,568	1,206,273*
Jumbo Corporation Limited	2,714,111		904,706	3,618,817
Joan Hunt	904,705		301,568	1,206,273
Glen Battershill	904,705		301,568	1,206,273
Leonie Kouvaras	904,705		301,568	1,206,273
Queensland Underwriters Ltd	1,289,205		429,734	1,718,939
Peter Fraser	452,352		150,784	603,136
BWM Ltd	2,146,909		715,636	2,862,545
Biss Holdings Ltd	865,689		288,563	1,154,252
PBT Ltd	3,047,225		1,015,742	4,062,967
Cuculainn Investments Ltd	865,689		288,563	1,154,252
	<u>14,095,295</u>	<u>904,705</u>	<u>5,000,000</u>	<u>20,000,000</u>

\* These shares will not be quoted till expiry of escrow period

## Additional Issues of Securities

Directors also propose offering existing Amlink shareholders the option of increasing their participation in the company by proposing that after completion of the purchase of Global and the demerger of EVENTS, all shareholders would be offered a 1 for 1 option, at a cost of 1 cent per option (raising approximately a further \$190,000 for the company), exercisable within 2 years to acquire Amlink shares @ 10 cents. These options would be unlisted and the Company is intending to have this issue underwritten. The record for entitlements to participate in the options offer would be after the shareholders meeting to approve the above transactions.

Amlink also intends to ask shareholders to approve the proposed issue of a convertible note in the sum of \$180,000 to Academic Growth Institute Fund Pty Ltd, an entity unrelated to the Company, that will be convertible into 4,000,000 ordinary Amlink shares (or in effect, 4.5cents per note/ share), subject to all of the above transactions being approved. This note will immediately convert to ordinary shares in Amlink after shareholder approval is obtained to the various resolutions. It will not be entitled to shares in the Events demerger or the new options. The funds raised from the convertible note issue will be used as additional working capital.

## Shareholder Approval

The various transactions identified above will be the subject of resolutions to be submitted to shareholders for approval at Amlink's annual general meeting, scheduled for late November 2003. To enable shareholders to fully consider the Global Approach transaction it is also intended to obtain an Independent Accountant's Report to consider whether the transaction is fair and reasonable to the non-associated shareholders. Additional information will also be made available to shareholders in relation to the EVENTS demerger in terms of value and taxation implications.

After the above transactions are completed the share capital of the Amlink would be:

### Ordinary shares

Ordinary shares on issue	19,384,705
Purchase of Global	20,000,000
Issue of Convertible Note	<u>4,000,000</u>
Total Ordinary Shares on issue	<u><u>43,384,705</u></u>

### Options

Options on issue	(30/6/04 @ 45c)	16,510,571
Options on issue	(11/12/03 @ 55c)	390,000
Options on issue	(30/11/04 @ 20c)	250,000
Bonus options	(31/12/05 @ 10c)	<u>19,384,705</u>
Total Options on issue		<u><u>37,035,276</u></u>


## Financial Implications of the Transactions

The Balance Sheet below shows the effects of pre and post the above transactions:

Amlink Group Limited	July'03 Unaudited	Demerge Events	Acquire Global
<u>Current Assets</u>			
Cash	94,781	94,781	468,628
Receivables		0	0
Other Financial Assets (Ledgerworks)	110,724	110,724	110,724
Other	16,130	16,130	16,130
Total Current Assets	221,635	221,635	595,482
<u>Non-Current Assets</u>			
Investments:-			
Ledgerworks & GPS	147,270	147,270	147,270
Events	692,568	0	0
Global			1,200,000
Total Non-Current Assets	839,838	147,270	1,347,270
Total Assets	1,061,474	368,905	1,942,752
<u>Current Liabilities</u>			
Payables	13,505	13,505	13,505
Provisions	51,141	51,141	51,141
Other			
Total Current Liabilities	64,645	64,645	64,645
Net Assets	<u>\$996,828</u>	<u>\$304,260</u>	<u>\$1,878,107</u>
Shareholders Funds	996,828	304,260	1,878,107
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The board of Amlink are pleased to present the above package of transactions to its shareholders for their favourable consideration. The past two years or so have been extremely challenging in our efforts to grow the capital base of the company, but the transactions (if successfully completed) should establish a new platform from which shareholder value can be achieved.

Yours faithfully



D K Barwick  
Chairman