
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 adviser.

If you have sold or transferred all your shares in JCG Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying 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 transferee.



JCG HOLDINGS LIMITED
日本信用保証集團*

(Incorporated in Bermuda with limited liability)

(Stock Code: 626)

PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL

A letter from the board of directors of the Company is set out on pages 1 to 3 of this circular.

A notice convening a special general meeting of the Company to be held at Queensway and Victoria Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8 March 2006 at 10:30 a.m. (or as soon thereafter as the annual general meeting shall have been concluded or adjourned) is set out on page 4 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or at any adjourned meeting should you so wish.

* *For identification purpose only*

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LETTER FROM THE BOARD



JCG HOLDINGS LIMITED

日本信用保証集團*

(Incorporated in Bermuda with limited liability)

(Stock Code: 626)

Non-executive Directors:

Tan Sri Dato' Sri Dr. Teh Hong Piow (*Chairman*)
Dato' Sri Tay Ah Lek
Dato' Chang Kat Kiam
Wong Kong Ming

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Executive Directors:

Tan Yoke Kong
Lee Huat Oon

Head Office and

Principal Place of Business:
1105-7 Wing On House
71 Des Voeux Road Central
Hong Kong

Independent Non-executive Directors:

Dato' Yeoh Chin Kee
Geh Cheng Hooi, Paul
Lee Chin Guan

20 February 2006

To the shareholders of the Company (the "Shareholders")

Dear Sir or Madam,

PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL

INTRODUCTION

Reference is made to the announcement of the Company dated 17 February 2006 in relation to (i) the proposed rights issue of not less than 364,632,206 rights shares and not more than 386,571,206 rights shares of HK\$0.10 each at HK\$7.30 per rights share on the basis of one rights share for every two existing shares (the "**Rights Issue**"); and (ii) the proposed increase in authorised share capital of the Company (the "**Capital Increase**"). The directors of the Company (the "**Directors**") propose to convene a special general meeting (the "**SGM**") to seek your approval for the Capital Increase.

The purpose of this circular is to provide you with information regarding the Capital Increase and to give you notice of the SGM to seek your approval for the Capital Increase.

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LETTER FROM THE BOARD

INCREASE OF AUTHORISED SHARE CAPITAL

In order to facilitate the Rights Issue and provide for the future expansion in the share capital of the Company, an ordinary resolution will be proposed to the Shareholders at the SGM to increase the authorised share capital of the Company from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 shares of HK\$0.10 each in the capital of the Company, such new shares to rank pari passu in all respects with the existing shares in the capital of the Company.

SPECIAL GENERAL MEETING

A notice of the SGM, at which an ordinary resolution will be proposed to approve the Capital Increase, to be held at Queensway and Victoria Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8 March 2006 at 10:30 a.m. (or as soon thereafter as the annual general meeting shall have been concluded or adjourned) is set out on page 4 of this circular. An ordinary resolution will be proposed at the SGM to increase the authorised share capital of the Company.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 76 of the Company, a resolution put to the vote at any general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman; or
- (ii) at least three members present in person or by proxy or by representative for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy or by representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATION

In the opinion of the Directors, the Capital Increase is in the best interest of the Company and the Shareholders as a whole. The Directors recommend, therefore, that the Shareholders should vote in favour of the ordinary resolution to be proposed at the SGM.

Yours faithfully,

Tan Sri Dato' Sri Dr. Teh Hong Piow

Chairman

NOTICE OF SPECIAL GENERAL MEETING



JCG HOLDINGS LIMITED
日本信用保証集團*

(Incorporated in Bermuda with limited liability)

(Stock Code: 626)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of JCG Holdings Limited (the “**Company**”) will be held at Queensway and Victoria Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8 March 2006 at 10:30 a.m. (or as soon thereafter as the annual general meeting shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

“**THAT** the authorised share capital of the Company be increased from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 shares of HK\$0.10 each in the capital of the Company, such new shares to rank *pari passu* in all respects with the existing shares in the capital of the Company.”

By Order of the Board
JCG Holdings Limited
Tan Yoke Kong
Company Secretary

Hong Kong, 20 February 2006

Notes:

1. The register of members will be closed from Thursday, 2 March 2006 to Wednesday, 8 March 2006, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming special general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 March 2006.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company’s branch share registrar in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, no later than 48 hours before the time appointed for holding the Meeting or any adjourned meeting (as the case may be).

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