

JCG Holdings Limited

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JCG HOLDINGS LIMITED
日本信用保証集團*
(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

**PROPOSED PRIVATISATION OF
JCG HOLDINGS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA
AND
WITHDRAWAL OF LISTING
DESPATCH OF SCHEME DOCUMENT**

The Scheme Document will be despatched to the Shareholders on 29th August, 2003.

The respective notices of the Court Meeting and the Special General Meeting are set out in the Scheme Document.

Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, where applicable, and therefore may or may not become effective. Provided that all the conditions to the Proposal are fulfilled or waived, where applicable, the Scheme is expected to become effective on 14th October, 2003. Details of such conditions are set out in the Scheme Document.

Introduction

Reference is made to the announcements of JCG Holdings Limited (the “Company”) dated 25th July, 2003, 6th August, 2003 and 14th August, 2003 containing details relating to the Proposal (the “Announcements”). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

Despatch of the Scheme Document

A scheme document (the “Scheme Document”) in relation to the Proposal containing, inter alia, a letter from the Board, a letter from the independent director (the “Independent Director”) containing his advice to the Independent Shareholders, a letter from the independent financial adviser, Platinum Securities Company Limited (“Platinum”) containing its advice to the Independent Director, details of the Proposal, the respective notices of the Court Meeting and the Special General Meeting of the Company, will be despatched to the Shareholders on 29th August, 2003.

Recommendation of the Independent Director

Mr. Geh Cheng Hooi, Paul, an independent non-executive Director, has been appointed as the Independent Director to advise the Independent Shareholders in respect of the Proposal. The Scheme Document contains, inter alia, a letter from Platinum giving its advice and recommendation to the Independent Director on the Proposal.

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Independent Shareholders should consider carefully the recommendation of the Independent Director and the factors, reasons and recommendation as set out in the letter from Platinum in relation to the Proposal before making a decision on the Proposal. Actions to be taken by the Independent Shareholders are set out in the Scheme Document.

Financial Information of the Group

(1) Unaudited adjusted consolidated net tangible assets of the Group

The following is a statement of the unaudited adjusted consolidated net tangible assets of the Group which was computed based on the audited consolidated net assets of the Group as at 31st December, 2002 and adjusted as follows:

	<i>HK\$'000</i>	Per Share <i>HK\$</i>
Audited consolidated net assets (including the final dividend) of the Group as at 31st December, 2002	3,276,618	4.630 <i>(Note 1)</i>
Add:		
Unaudited consolidated profit after tax and minority interests of the Group for the six months ended 30th June, 2003	101,756	
Surplus on revaluation of long term equity investment	1,127	
Subsequent gain on redemption of minority interests in Winton Holdings (Bermuda) Limited	30,536	
Less:		
Final dividend paid for the year ended 31st December, 2002	(95,547)	
Unaudited consolidated net assets (including the proposed interim dividend) of the Group as at 30th June, 2003	3,314,490	4.683 <i>(Note 2)</i>
Add:		
Negative goodwill arising from the redemption of minority interests in Winton Holdings (Bermuda) Limited	92,163	
Less:		
Deferred expenditure	(4,756)	
Intangible assets	(164)	
	<u>3,401,733</u>	
Revaluation deficit of leasehold land and buildings and investment properties	(118,284) <i>(Note 4)</i>	
Unaudited adjusted consolidated net tangible assets (including the proposed interim dividend) of the Group as at 30th June, 2003	3,283,449	
Less:		
Interim dividend paid for the six months ended 30th June, 2003	(28,310)	
Unaudited adjusted consolidated net tangible assets (net of the proposed interim dividend) of the Group	<u>3,255,139</u>	<u>4.599</u> <i>(Note 3)</i>

Note 1: Based on 707,758,412 Shares in issue as at 31st December, 2002.

Note 2: Based on 707,758,412 Shares in issue as at 30th June, 2003.

Note 3: Based on 707,758,412 Shares in issue as at 26th August, 2003, being the latest practicable date prior to the issue of the Scheme Document for ascertaining certain information contained therein.

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Note 4: Represents the deficit arising from the revaluation of the Group's certain property interests conducted by Vigers Hong Kong Limited on an open market basis as at 30th June, 2003. An extract of the property valuation report prepared by Vigers Hong Kong Limited is set out in Appendix II to the Scheme Document.

(2) Statement of Indebtedness

At the close of business on 30th June, 2003, being the latest practicable date prior to the printing of the Scheme Document for the purpose of the indebtedness statement, the Group has not utilised any credit facilities. Certain of the credit facilities were secured by a legal charge over the Group's investment properties situated in Hong Kong with an aggregate carrying amount of approximately HK\$23.0 million, certain land and buildings with an aggregate net book value of approximately HK\$45.0 million and placements of HK\$5.0 million with a bank, and supported by a corporate guarantee by a subsidiary and letters of comfort issued by the ultimate holding company.

As at 30th June, 2003, the Group had non-cancellable operating lease commitments of approximately HK\$30.5 million, capital commitments of approximately HK\$0.1 million and no material contingent liabilities.

Save as aforesaid and apart from inter-group's liabilities, the Group did not have outstanding at the close of business on 30th June, 2003 any mortgages, charges, debentures or loan capital issued and outstanding or agreed to be issued, bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchases or finance lease commitments, guarantees or other material contingent liabilities.

Court Meeting and Special General Meeting

The Court Meeting and the Special General Meeting will be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Tuesday, 23rd September, 2003 at Gloucester Room, 2nd Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong. Notices of the Court Meeting and the Special General Meeting are set out in the Scheme Document.

A further announcement will be made by the Company in relation to, inter alia, the voting results of the Court Meeting and the Special General Meeting.

Expected Timetable

The following expected timetable takes into account the Supreme Court procedures for the Scheme. The expected timetable is indicative only and is subject to changes. Time stated is Hong Kong time unless otherwise provided.

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Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the Special General Meeting	4:00 p.m. on Thursday, 18 September
Closure of register of members for the purpose of determining the Shareholders entitled to attend and vote at the Court Meeting and the Special General Meeting (both dates inclusive)	from Friday, 19th September to Tuesday, 23rd September
Latest time for lodging forms of proxy in respect of (<i>Note 1</i>):	
Court Meeting	10:00 a.m. on Sunday, 21st September
Special General Meeting	10:30 a.m. on Sunday, 21st September
Suspension of dealings in the Shares on the Stock Exchange	9:30 a.m. on Tuesday, 23rd September
Court Meeting (<i>Note 2</i>)	10:00 a.m. on Tuesday, 23rd September
Special General Meeting (<i>Note 2</i>)	10:30 a.m. on Tuesday, 23rd September, or as soon thereafter as the Court Meeting shall have been concluded or adjourned
Announcement of the results of the Court Meeting and the Special General Meeting in press	Wednesday, 24th September
Resumption of dealings in the Shares on the Stock Exchange	9:30 a.m. on Wednesday, 24th September
Supreme Court hearing of the petition to sanction the Scheme (<i>Note 3</i>)	Tuesday, 30th September
Last day of dealings in the Shares on the Stock Exchange	Friday, 3rd October
Latest time for lodging transfers of the Shares to qualify for entitlements under the Scheme	4:00 p.m. on Friday, 10th October
Closure of register of members for the purpose of determining entitlements of the Scheme Shareholders to the Price	4:00 p.m. on Friday, 10th October
Record date	Monday, 13th October
Effective date (<i>Notes 3 and 4</i>)	Tuesday, 14th October
Withdrawal of listing of the Shares on the Stock Exchange (<i>Note 4</i>)	9:30 a.m. on Wednesday, 15th October
Announcement of the effective date and withdrawal of listing of the Shares on the Stock Exchange in press	Wednesday, 15th October
Cheques for cash entitlements under the Scheme to be despatched on or before	Wednesday, 22nd October

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Notes:

1. *Forms of proxy should be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not later than the relevant times and dates stated above. Completion and return of a form of proxy for the Court Meeting or the Special General Meeting will not preclude a Shareholder from attending and voting in person at the relevant meetings. In such event, the returned forms of proxy will be deemed to have been revoked.*
2. *The Court Meeting and the Special General Meeting will both be held at Gloucester Room, 2nd Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong at the times and dates specified above.*
3. *Unless otherwise stated, all references in this announcement to times and dates are references to Hong Kong times and dates, other than references to the expected date for the Supreme Court hearing of the petition to sanction the Scheme and the effective date (see Note 4 below) which are referring to the relevant dates in Bermuda. For the period from the date of this announcement until 26th October, 2003, Bermuda time is 11 hours behind Hong Kong time and will be 12 hours behind Hong Kong time thereafter.*
4. *The Scheme will become effective when it is sanctioned (with or without modification(s)) by the Supreme Court and an official copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place in the morning on Tuesday, 14th October, 2003 (Bermuda time), which is equivalent to the evening on Tuesday, 14th October, 2003 (Hong Kong time). It is currently expected that the listing of the Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Wednesday, 15th October, 2003 (Hong Kong time).*

Closure of register of members

For the purpose of determining the entitlements of the Shareholders to attend and vote at the Court Meeting and the Special General Meeting, the register of members of the Company will be closed from Friday, 19th September, 2003 to Tuesday, 23rd September, 2003 (both dates inclusive) and during such period no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the Special General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, namely Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 18th September, 2003.

Provided that the Proposal is approved, the last day of dealings in the Shares on the Stock Exchange will be Friday, 3rd October, 2003. The register of members of the Company will be closed again from 4:00 p.m. on Friday, 10th October, 2003. In order to qualify for entitlements under the Scheme, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong at its address mentioned in the above paragraph by no later than 4:00 p.m. on Friday, 10th October, 2003.

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Conditions of the Proposal

Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, as applicable, and therefore may or may not become effective. Provided that all the conditions to the Proposal are fulfilled or waived, as applicable, the Scheme is expected to become effective on Tuesday, 14th October, 2003 (both Hong Kong time and Bermuda time). Details of these conditions are set out in the Scheme Document.

By Order of the Board
JCG Holdings Limited
Tan Sri Dato' Sri Dr. Teh Hong Piow
Chairman

Hong Kong, 28th August, 2003

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard dated on 29-8-2003.