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JCG HOLDINGS LIMITED
日本信用保証集團*
(Incorporated in Bermuda with limited liability)
(Stock Code: 626)

**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
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

PROPOSED RIGHTS ISSUE

Subject to the Capital Increase taking effect, the Board proposes to effect the Rights Issue and proposes to raise approximately HK\$2.66 billion to HK\$2.82 billion before expenses by way of a rights issue of one Rights Share at HK\$7.30 per Rights Share for every two existing Shares held on the Record Date.

The Company will provisionally allot one Rights Share in nil-paid form for every two existing Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue is not available to Excluded Shareholders.

The estimated net proceeds from the Rights Issue will amount to not less than HK\$2,660.3 million and not more than HK\$2,820.5 million. Reference is made to the Joint Announcement in relation to the Acquisition. The Company intends to use the net proceeds from the Rights Issue to repay part of a short-term bridging loan facility of HK\$4,500,000,000 in financing the cost of the Acquisition if it proceeds, but the Rights Issue is not dependent on the Acquisition. If the Acquisition does not proceed for any reason, the Rights Issue will still proceed subject to the satisfaction of the conditions disclosed in this announcement, and the proceeds will be used for general working capital purposes of the Group.

Public Bank has irrevocably undertaken to the Company that, subject to the conditions of the Rights Issue being fulfilled or waived, all Shares beneficially owned by it will remain registered in its name or its nominee(s) from the date of the undertaking up to the Record Date and that it will accept or procure the acceptance of all the 233,384,055 Rights Shares to be provisionally allotted to it or its nominee(s) as the holder of such Rights Shares pursuant to the Rights Issue. The Rights Shares, other than the Rights Shares to be allotted in respect of the Shares beneficially owned by Public Bank, will be fully underwritten by Public Bank.

The last day of dealing in the Shares on a cum-rights basis is Thursday, 9 March 2006. The Shares will be dealt with on an ex-rights basis from Friday, 10 March 2006. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company at the close of business on the Record Date, which is currently expected to be Friday, 17 March 2006. In order to be registered as members on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on Monday, 13 March 2006 (the share register is expected to be closed from Tuesday, 14 March 2006 to Friday, 17 March 2006, both days inclusive).

The Rights Issue is subject to the satisfaction of certain conditions as described under the section headed "Conditions of the Rights Issue". In particular, the Rights Issue is subject to Public Bank not terminating the Underwriting Agreement (see the section headed "Termination of the Underwriting Agreement" below).

Accordingly, the Rights Issue may or may not proceed. Investors' attention is drawn to the statement "Warning of the risks of dealing in Shares and nil-paid Rights Shares" below.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares.

The Company expects to send the Rights Issue Documents to all Qualifying Shareholders on or before Friday, 17 March 2006.

PROPOSED CAPITAL INCREASE

In order to facilitate the Rights Issue, the Board intends 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. A circular containing details of the Capital Increase and a notice convening the Special General Meeting will be despatched to the Shareholders in due course.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Wednesday, 15 February 2006 pending the issue of the announcement in respect of the Acquisition and this announcement, and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Monday, 20 February 2006.

PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue:	one Rights Share for every two existing Shares held at the close of business on the Record Date
Number of existing Shares in issue:	729,264,412 Shares as at the date of this announcement
Number of existing authorised Shares:	1,000,000,000 Shares as at the date of this announcement
Number of Rights Shares:	not less than 364,632,206 Rights Shares and not more than 386,571,206 Rights Shares
Underwriter:	Public Bank, the controlling Shareholder
Subscription Price for Rights Shares:	HK\$7.30 per Rights Share

Under the Rights Issue, not less than 364,632,206 nil-paid Rights Shares (assuming no Share Options is exercised before the Record Date) would be provisionally allotted, representing 50 per cent. of the existing issued share capital of the Company and approximately 33 per cent. of the issued share capital of the Company as enlarged by the issue of 364,632,206 Rights Shares.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued upon the exercise of the Share Options on or before the Record Date. As at the date of the announcement, there are 43,878,000 outstanding Share Options held by the Directors and employees of the Group entitling the holders to subscribe for 43,878,000 Shares. If all the subscription rights attaching to the outstanding Share Options are exercised in full on or before the Record Date, the number of issued Shares will be increased to 773,142,412 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 386,571,206 Rights Shares. Save as disclosed above, there are no outstanding options, warrants, convertible notes or other circular rights to subscribe for Shares of the Company. Pursuant to the terms of the Share Option Scheme, adjustments to the outstanding Share Options may be made upon the Rights Issue becoming unconditional. The Company will make appropriate disclosure in the Prospectus in relation to details on such adjustment (if any) in accordance with the provisions under the Share Option Scheme.

Qualifying Shareholders and Excluded Shareholders

The Company will send the Rights Issue Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date. In order to be registered as a member on the Record Date, a transferee of Shares must lodge any transfers of Shares (with the relevant share certificates) with Tengis Limited, the branch share registrar of the Company in Hong Kong, by 4:00 p.m. (Hong Kong time) on Monday, 13 March 2006.

The branch share registrar of the Company in Hong Kong is:

Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

The Company will send the Prospectus to the Excluded Shareholders for their information only but the Company will not send any provisional allotment letters and forms of application for excess Rights Shares to the Excluded Shareholders. The Excluded Shareholders are the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are in places outside Hong Kong where the Directors consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the register of members are located outside Hong Kong including the United Kingdom, the United States, Malaysia, the Republic of Ireland and the Macau Special Administrative Region of the People's Republic of China. The Company will make enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the Company's offering the Rights Issues to such Shareholders to determine who will be Excluded Shareholders. Further disclosure will be made by the Company in the Prospectus to be despatched to Shareholders on or about Friday, 17 March 2006 after it has formed the view as to whether or not the Rights Issue will be extended to the Overseas Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to Excluded Shareholders to be sold in the market in their nil-paid form as soon as reasonably practicable after dealings in the nil-paid Rights Shares commence, if a premium net of expenses can reasonably be obtained. The proceeds of sale, less expenses, of HK\$100 or more will be paid to Excluded Shareholders in Hong Kong dollars as soon as practicable. Individual amounts of less than HK\$100 will not be paid and will be retained by the Company for its own use and benefit.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 14 March 2006 to Friday, 17 March 2006 (both days inclusive). No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription price for the Rights Shares

HK\$7.30 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a renounee of any provisional allotment or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 7.59 per cent. to the closing price of HK\$7.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 7.71 per cent. to the average closing price of HK\$7.91 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 8.41 per cent. to the average closing price of HK\$7.97 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 11.62 per cent. to the average closing price of HK\$8.26 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 5.19 per cent. to the theoretical ex-right price of HK\$7.70 based on the closing price of HK\$7.90 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (vi) a premium of approximately 137.01 per cent. over the audited consolidated net tangible assets value per Share of approximately HK\$3.08 as at 31 December, 2005.

The Subscription Price was arrived at with reference to the market price of the Shares under the prevailing market conditions and was agreed on an arm's length basis between the Company and Public Bank for the underwriting arrangement. The Directors consider the terms of the Rights Issue and the rate of discount to the closing price on the Last Trading Day to be fair and reasonable and in the best interests of the Group and the Shareholders as a whole. The Directors also consider that the rates of discount make the Rights Issue more attractive.

Basis of provisional allotment

One Rights Share for every two existing Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

Status of the Rights Shares

When allotted, issued and fully paid, the Rights Shares will rank *pari passu* with the then existing Shares in issue and holders of such Rights Shares will receive all future dividends and distributions which are declared, made or paid after the date of issue of the Rights Shares.

Fractions of Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company, if a premium net of expenses can reasonably be obtained.

Applications for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for any unsold entitlements of Excluded Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders. An application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion, but on a fair and reasonable basis as far as practicable, and will give preference to topping-up odd lots to board lots.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with Tengis Limited, the branch share registrar of the Company in Hong Kong, by 4:00 p.m. (Hong Kong time) on Monday, 13 March 2006.

Certificates for Rights Shares

Subject to the fulfillment or waiver by Public Bank of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted by Tuesday, 11 April 2006 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for the Rights Shares, at their own risk.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms).

Nil-paid Rights Shares will be traded in board lots of 2,000 Shares. Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duties in Hong Kong.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, among other things, each of the following:

- (i) completion of Capital Increase (see the section headed “Proposed Capital Increase” below);
- (ii) the filing and registration of the Rights Issue Documents by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance no later than the Posting Date; and the filing of the Rights Issue Documents with the Registrar of Companies in Bermuda no later than the Posting Date;
- (iii) the posting of the Rights Issue Documents to the Qualifying Shareholders on the Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting listings of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) on or prior to the Posting Date and such listings and permission not having withdrawn or revoked before 4:00 p.m. on the Acceptance Date; and
- (v) the Underwriting Agreement not being terminated by Public Bank in accordance with the terms thereof.

If any of the conditions of the Rights Shares is not fulfilled by or at the time and/or date specified therefor (or if no time or date is specified, 4:00 p.m. on the second Business Day following the Acceptance Date), or shall become incapable of being fulfilled on or before such time or date without being so waived by Public Bank, the Underwriting Agreement may be terminated by Public Bank by written notice to the Company, in which case the Rights Issue will not proceed.

UNDERWRITING AGREEMENT

Undertaking from Public Bank

Public Bank, who is as at the date of this announcement beneficially interested in an aggregate of 466,768,110 Shares representing approximately 64 per cent. of the issued share capital of the Company (assuming no Share Option is exercised before the Record Date), has irrevocably undertaken that, subject to the conditions of the Rights Issue being fulfilled or waived, all Shares beneficially owned by it will remain registered in its name or in the name of its nominee(s) from the date of the undertaking to the Record Date and that it will accept or procure acceptance of all the 233,384,055 Rights Shares to be provisionally allotted to it or its nominee(s) as the holder of such Shares pursuant to the Rights Issue. The Rights Shares, other than the Rights Shares to be allotted in respect of the Shares beneficially owned by Public Bank, amounting to not less than 131,248,151 Rights Shares and not more than 153,187,151 Rights Shares, will be fully underwritten by Public Bank in accordance with the Underwriting Agreement.

Other terms of the Underwriting Agreement

Date:	17 February 2006
Underwriter:	Public Bank, the controlling Shareholder
Number of Rights Shares underwritten:	Not less than 131,248,151 Rights Shares and not more than 153,187,151 Rights Shares
Commission:	Waived by Public Bank

Public Bank is a licensed bank in Malaysia whose ordinary course of business does not include underwriting of securities.

The entering into of the Underwriting Agreement by the Company with Public Bank constitutes a connected transaction of the Company under the Listing Rules but is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.31(3)(c) of the Listing Rules.

Termination of the Underwriting Agreement

It should be noted that the Underwriting Agreement contains provisions entitling Public Bank, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If at any time on or before 4:00 p.m. on the second Business Day after the Acceptance Date one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, or exist:

- (a) Public Bank shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties in the Underwriting Agreement was (when originally given or when repeated in accordance with the provisions under the Underwriting Agreement) untrue, inaccurate, misleading or breached, and in each case where it is (in the reasonable opinion of Public Bank) material in the context of the Rights Issue; or**
- (b) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;**
- (ii) any change in local, national or international financial, political, industrial or economic conditions;**
- (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;**
- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;**
- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;**
- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of ten (10) Business Days;**
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which will or may materially and adversely affect the Group or a material proportion of the shareholders in their capacity as such,**

which event or events is or are in the reasonable opinion of Public Bank:

- (i) likely to have a material adverse effect on the business or financial or trading position or prospects of the Company or the Group; or**
- (ii) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or**
- (iii) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,**

then in such case Public Bank may by notice in writing given to the Company on or before 4:00 p.m. on the second Business Day after the Acceptance Date rescind the Underwriting Agreement and thereupon all obligations of Public Bank thereunder will cease and determine and no party will have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Existing Shares will be dealt with on an ex-rights basis from Friday, 10 March 2006. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the Register of Members of the Company at the close of business on the Record Date, which is currently expected to be Friday, 17 March 2006. In order to be registered as members on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on Monday, 13 March 2006.

The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 21 March 2006 to Wednesday, 29 March 2006, both days inclusive. If Public Bank terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived by Public Bank, the Rights Issue will not proceed.

Any person contemplating buying or selling of the Shares from now up to the date on which all such conditions are fulfilled or waived, and contemplating any buying or selling of nil-paid Rights Shares between Tuesday, 21 March 2006 and Wednesday, 29 March 2006 (both days inclusive), bear the risk that the Rights Issue may not become unconditional and may not proceed.

Investors may want to obtain professional advice regarding dealings in Shares or nil-paid Rights Shares during these periods.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the changes in the shareholding structure of the Company arising from the Rights Issue:

Scenario 1

Assuming no outstanding Share Options are exercised on or before completion of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue on the assumption as set out in Note 1		Immediately after completion of the Rights Issue on the assumption as set out in Note 2	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Public Bank	466,768,110	64	700,152,165	64	831,400,316	76
Other Shareholders	262,496,302	36	393,744,453	36	262,496,302	24
Total	<u>729,264,412</u>	<u>100</u>	<u>1,093,896,618</u>	<u>100</u>	<u>1,093,896,618</u>	<u>100</u>

Notes:

1. Assuming all Shareholders take up their respective provisional allotment of the Rights Shares in full.
2. Assuming (i) all Shareholders (save for Public Bank) do not take up any provisional allotment of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders (save for Public Bank) are taken up by Public Bank pursuant to the Underwriting Agreement.

Scenario 2

Assuming all outstanding Share Options are exercised on or before completion of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue on the assumption as set out in Note 1		Immediately after completion of the Rights Issue on the assumption as set out in Note 2	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Public Bank Holders of the outstanding Share Options	466,768,110	60	700,152,165	60	853,339,316	74
Other Shareholders	43,878,000	6	65,817,000	6	43,878,000	4
	262,496,302	34	393,744,453	34	262,496,302	22
Total	<u>773,142,412</u>	<u>100</u>	<u>1,159,713,618</u>	<u>100</u>	<u>1,159,713,618</u>	<u>100</u>

Notes:

1. Assuming all Shareholders take up their respective provisional allotment of the Rights Shares in full.
2. Assuming (i) all Shareholders (save for Public Bank) do not take up any provisional allotment of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders (save for Public Bank) are taken up by Public Bank pursuant to the Underwriting Agreement.

The Company and Public Bank will jointly undertake to the Stock Exchange that the Company and Public Bank will take appropriate steps, including but not limited to the placing down of the Shares held by Public Bank within a reasonable period of time as permitted by the Stock Exchange, after completion of the Rights Issue to ensure that not less than 25 per cent. of the Shares are held by the public at all times in order to comply with the minimum public float requirement under Rule 8.08 of the Listing Rules.

EXPECTED TIMETABLE

Last day of dealings in existing Shares on a cum-rights basis	Thursday, 9 March 2006
Commencement date of trading on ex-rights basis	Friday, 10 March 2006
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00 p.m. on Monday, 13 March 2006
Register of members of the Company closes (both days inclusive)	Tuesday, 14 March 2006 to Friday, 17 March 2006

Record Date	Friday, 17 March 2006
Rights Issue Documents despatched on	Friday, 17 March 2006
First day of dealings in nil-paid Rights Shares	Tuesday, 21 March 2006
Latest time for splitting nil-paid Rights Shares	Friday, 24 March 2006
Latest time of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 29 March 2006
Latest time for acceptance of, and payment for, Rights Shares and application for excess Rights Shares	4:00 p.m. on Monday, 3 April 2006
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Thursday, 6 April 2006
Announcement of results of Rights Issue to appear in newspapers on or before	Tuesday, 11 April 2006
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before	Tuesday, 11 April 2006
Certificates for fully-paid Rights Shares expected to be despatched on or before	Tuesday, 11 April 2006
Dealings in fully-paid Rights Shares on the Stock Exchange to commence on	Thursday, 13 April 2006

Dates or deadlines specified above are indicative only and may be varied by agreement between the Company and Public Bank. Any changes to the expected timetable will be published or notified to the Shareholders appropriately.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of deposit-taking, personal and commercial lending, mortgage financing, stockbroking, the letting of investment properties, the provision of finance to purchasers of taxis and public light buses, the trading of taxi cabs and taxi licences, and the leasing of taxis. The estimated net proceeds from the Rights Issue will amount to not less than HK\$2,660.3 million and not more than HK\$2,820.5 million. Reference is made to the Joint Announcement in relation to the Acquisition. The Company intends to use the proceeds from the Rights Issue to repay part of a short-term bridging loan facility of HK\$4,500,000,000 in financing the cost of the Acquisition if it proceeds, but the Rights Issue is not dependent on the Acquisition. If the Acquisition does not proceed for any reason, the Rights Issue will still proceed subject to the satisfaction of the conditions disclosed in this announcement, and the proceeds will be used for general working capital purposes of the Group and the Board will monitor and review business opportunities suitable to the Company. The Company has not engaged in any equity fund raising exercise during the 12 months immediately preceding the date of this announcement.

PROPOSED CAPITAL INCREASE

In order to facilitate the Rights Issue and provide for the future expansion in the share capital of the Company, the Board proposes that, subject to the condition set out below, 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.

The Capital Increase will be conditional upon the passing by the Shareholders of an ordinary resolution approving the Capital Increase at the Special General Meeting.

GENERAL

The Rights Issue Documents are expected to be posted to the Qualifying Shareholders on Friday, 17 March 2006.

A circular containing details of the Capital Increase and a notice convening the Special General Meeting will be despatched to the Shareholders in due course.

SUSPENSION OF TRADING IN SHARES

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Wednesday, 15 February 2006 at the request of the Company pending the issue of the announcement in respect of the Acquisition and this announcement, and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Monday, 20 February 2006.

DEFINITIONS

“Acceptance Date”	3 April 2006, or such other date as the Company and Public Bank may agree in writing, being the latest date upon which provisional allotment of Rights Shares may be validly accepted
“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Asia Commercial Bank Limited subject to and upon the terms and conditions of the Share Purchase Agreement with details set out in the Joint Announcement
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“Capital Increase”	the proposed increase in the authorised share capital of the Company as referred to in the section headed “Proposed Capital Increase”
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	JCG Holdings Limited 日本信用保証集團*, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company

“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors consider, after making relevant enquiry, their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Announcement”	the joint announcement of the Company and Asia Financial Holdings Limited dated 15 February 2006
“Last Trading Day”	14 February 2006, being the last trading day of the Shares prior to this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company are outside Hong Kong on the Record Date
“Posting Date”	17 March 2006, or such other date as the Company and Public Bank may agree in writing, being the date of despatch of the Rights Issue Documents
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Public Bank”	Public Bank Berhad, a company incorporated in Malaysia and the shares of which are listed on Bursa Malaysia Securities Berhad, which is the controlling Shareholder of the Company
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	17 March 2006, or such other date as the Company and Public Bank may agree in writing, being the record date to determine entitlements to the Rights Issue
“Rights Issue”	the issue of the Rights Shares on the basis of one Rights Share for every two existing Shares held at the close of business on the Record Date at the Subscription Price pursuant to the Underwriting Agreement and the Rights Issue Documents
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Rights Shares”	not less than 364,632,206 new Shares and not more than 386,571,206 new Shares to be issued pursuant to the Rights Issue

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Options”	options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 28 February 2002
“Share Purchase Agreement”	the conditional share purchase agreement dated 14 February 2006 entered into between the Company and Asia Financial Holdings Limited in relation to the Acquisition
“Shareholder(s)”	holder(s) of the Share(s)
“Special General Meeting”	the special general meeting of the Company to be convened on or about 8 March 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$7.30 per Rights Share
“Trading Day”	a day on which the Stock Exchange is open for trading
“Underwriting Agreement”	the agreement dated 17 February 2006 between the Company and Public Bank in relation to the underwriting and other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollars
“%”	per cent.

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

Hong Kong, 17 February 2006

As at the date of this announcement, the board of Directors of the Company comprises Tan Sri Dato’ Sri Dr. Teh Hong Piow, Dato’ Sri Tay Ah Lek, Dato’ Chang Kat Kiam and Mr. Wong Kong Ming as Non-executive Directors, Mr. Tan Yoke Kong and Mr. Lee Huat Oon as Executive Directors, and Dato’ Yeoh Chin Kee, Mr. Geh Cheng Hooi, Paul and Mr. Lee Chin Guan as Independent Non-executive Directors.

* For identification purpose only

“Please also refer to the published version of this announcement in China Daily”