

HUTCHISON<0013>&HARBOUR RING<0715>-Joint Announcement & Harbour Ring Resumption of Trading

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Internet Capital Group, Inc.
(Incorporated under the laws of the State of Delaware of the US with limited liability)

Hutchison Whampoa Limited
(Incorporated in Hong Kong with limited liability)

Harbour Ring International Holdings Limited
(Incorporated in Bermuda with limited liability)

Joint announcement

Agreements for ICG, HWL Sub and LKS Foundation to subscribe for the New Shares and the Warrants and the Put Option and application for the granting of the Whitewash Waiver and the Special Deal Consent and change of name of the Company to ICG AsiaWorks Limited

The Company entered into the Subscription Agreements with ICG, HWL Sub and LKS Foundation respectively in relation to the subscriptions of 3,018,400,000 New Shares by ICG, 454,978,000 New Shares by HWL Sub and 274,400,000 New Shares by LKS Foundation respectively at an issue price of HK\$0.30 per Share on 9th March, 2000. Completion is conditional upon a number of conditions as set out below under the section headed ``Conditions of the Subscription Agreements''.

At present, ICG and its Concert Parties own 1,025,752,000 Shares other than pursuant to the Subscription Agreements. Upon Completion, ICG and its Concert Parties will be interested in 4,499,130,000 Shares, representing about 82.1% of the issued share capital of the Company as enlarged by the New Shares to be issued under the Subscriptions.

Under Rule 26 of the Takeover Code, upon Completion, ICG and its Concert Parties are obliged to make an unconditional general offer for all the issued Shares not already owned or agreed to be acquired by ICG or its Concert Parties. An application will be made by ICG to the Executive for the Whitewash Waiver which, if granted, would normally be subject to the approval of the Independent Shareholders on a vote taken by a way of a poll. The Executive may or may not grant the Whitewash Waiver. Completion is conditional upon, amongst

other things, the granting of the Whitewash Waiver by the Executive. Under the Subscription Agreements, this condition can be waived by ICG. If the Whitewash Waiver is not granted, ICG may waive such condition and consider making an unconditional general offer for all the Shares other than those already owned or agreed to be acquired by ICG or its Concert Parties. If the condition of granting the Whitewash Waiver by the Executive is not fulfilled or waived by ICG, the Subscription Agreements will lapse. ICG has undertaken to Goldman Sachs (Asia) L.L.C. that it will not waive the Whitewash Waiver condition and extend the general offer for all the Shares other than those already owned or agreed to be acquired by ICG or its Concert Parties unless Goldman Sachs (Asia) L.L.C. is satisfied that ICG has sufficient financial resources to satisfy full acceptance of such general offer.

Shamrock has agreed to grant the Put Option to the Company to require Shamrock to acquire all (but not part only) of the Toy and Property Operations at a consideration of HK\$225,413,220 exercisable during a period of two years subject to provisions for extensions thereof. The granting of the Put Option will constitute a special deal under Rule 25 of the Takeover Code and hence requires consent from the Executive. An application will be made to the Executive for the Special Deal Consent.

It is proposed that the name of the Company will be changed to ICG AsiaWorks Limited.

Trading in the securities of the Company on the Stock Exchange was suspended at the request of the Company with effect from 2.30 p.m. on 1st March, 2000 pending release of this announcement. Application has been made by the Company for the resumption of trading in the securities of the Company with effect from 10.00 a.m. on 10th March, 2000.

THE SUBSCRIPTION AGREEMENTS

Date

9th March, 2000

Parties

In respect of the ICG Subscription Agreement

The Company

ICG

International Toys

Reading

HWL (together with the Company, International Toys and Reading as warrantors)

In respect of the Hutchison Subscription Agreement

The Company

HWL Sub

International Toys and Reading (together with the Company as warrantors)

In respect of the LKS Foundation Subscription Agreement

The Company

LKS Foundation

International Toys and Reading (together with the Company as warrantors)

ICG is independent of the directors, chief executive and substantial shareholders of the Company, any of its subsidiaries or their respective Associates but as referred to below, is acting in concert with HWL Sub. HWL Sub is a substantial shareholder of the Company. LKS Foundation is not an Associate of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries.

Shares to be issued

An aggregate of 3,747,778,000 New Shares, representing approximately 68.15% of the issued share capital of the Company as enlarged by the New Shares to be issued under the Subscriptions. Under the Subscriptions, 3,018,400,000 New Shares are to be subscribed by ICG or its nominees, 454,978,000 New Shares are to be subscribed by HWL Sub or its nominees and 274,400,000 New Shares are to be subscribed by LKS Foundation.

The New Shares will rank pari passu in all respects with all existing Shares, including the rights to receive all future dividends and distributions declared, made or paid by the Company on or after the date of the Subscription Agreements.

Issue Price

The issue price per Share of HK\$0.30 represents a discount of about 75.6% to the closing price of HK\$1.23 per Share as quoted on the Stock Exchange at the end of the morning session on 1st March, 2000, the day on which trading of the Shares was suspended at 2.30 p.m. and a discount of about 57.7% to the average closing price of HK\$0.71 per Share over the 10 trading days up to and including 1st March, 2000. Such issue price per Share also represents a discount of about 65.5% to the audited consolidated net tangible asset value per Share of about HK\$0.87 as at 31st December, 1998.

The terms of the Subscription Agreements were negotiated on an arm's length basis. In negotiating the issue price for the New Shares, the directors of the Company and the Subscribers have taken into account, amongst others, the following factors:

* The significant increment in the prices and trading volume of the Shares on 1st March, 2000. The closing price per Share increased from \$0.70 on 29th February, 2000 to HK\$1.23 on 1st March, 2000, representing an increase of about 76%.

* The respective average closing prices per Share for the 20, 60 and 120 days period up to and including 29th February, 2000 were about HK\$0.67, HK\$0.45 and HK\$0.39 respectively.

* The issue price of HK\$0.30 represents a price/earning multiple of about 12.5 times over the earning per Share of about HK\$0.024 for the year ended 31st December, 1998.

* The audited consolidated net tangible asset value per Share of HK\$0.87 as at 31st December, 1998.

* The properties of the Company held for investment, under

development, for own use and for resale in the People's Republic of China, representing about 40% of the total assets of the Group. In this respect, the directors of the Company note that shares in most property companies with portfolio principally in the People's Republic of China and listed on the Stock Exchange are presently being traded at substantial discounts to their respective audited consolidated net asset values per share.

Warrants to be issued

It is a term of the Subscription Agreements that at Completion 803,000,000 Warrants will be issued to ICG, 219,000,000 Warrants will be issued to HWL Sub, and 73,000,000 Warrants will be issued to LKS Foundation. The consideration payable by each of ICG, HWL and LKS Foundation for the Warrants is HK\$1.00. The holders of the Warrants will be entitled to subscribe in cash for new Shares during a period of three years after the date of issue at an initial subscription price of HK\$0.39 per Share. Each of ICG and HWL Sub has agreed not to transfer or otherwise dispose of any new Shares issued pursuant to any exercise of the Warrants during the period of one year immediately after Completion.

The Warrants will not be listed or dealt in on any stock exchange.

Conditions of the Subscription Agreements

Completion of the Subscription Agreements is conditional upon the following conditions being fulfilled (or waived by the relevant Subscribers):

(a) the passing of all necessary resolutions, on a poll where necessary, by the shareholders (being, where required by the Stock Exchange or SFC, the Independent Shareholders) of the Company at a special general meeting approving:

(i) the transactions contemplated by the Subscription Agreements;

(ii) increasing the authorised share capital of the Company, authorising the allotment and issue of the New Shares and the Warrants to the Subscribers (or, in the case of ICG, to ICG's nominees) upon Completion and the allotment and issue of the Shares to be issued upon the exercise of the Warrants;

(iii) the granting of a waiver to ICG or its nominees and its Concert Parties in respect of their obligations to extend a general offer to the shareholders of the Company as a result of the issue of the New Shares and the Warrants in accordance with Note 1 of the Notes on dispensations from Rule 26 of the Takeover Code;

(iv) the amendment to the bye-laws of the Company for the issue of the Warrants (if required);

(v) the transactions contemplated under the Option Deed; and

(vi) the change of the name of the Company to "ICG AsiaWorks Limited";

(b) the granting by the Listing Committee of the Stock

Exchange of a listing of, and permission to deal in, the New Shares to be issued by the Company upon Completion and the new Shares to be issued upon the exercise of the Warrants;

(c) the approval from the Bermuda Monetary Authority of the issue of the New Shares and the new Shares to be issued upon the exercise of the Warrants (if required under Bermuda law);

(d) the granting by SFC of the Whitewash Waiver in relation to the obligation to make a mandatory general offer of Shares not already held or agreed to be allotted to ICG or its Concert Parties by the Subscribers (or their Concert Parties), as a result of the issue of the New Shares in accordance with Note 1 of the Notes on dispensations from Rule 26 of the Takeover Code;

(e) the granting by the Executive of the Special Deal Consent;

(f) the warranties under the Subscription Agreements remaining true and accurate and not misleading in any material respect as given at the date hereof and at Completion;

(g) the entry into of the Management Services Agreement;

(h) the becoming unconditional (other than in relation to the conditions (in both cases) requiring the Subscription Agreements to become unconditional or the Completion) of each of the following agreements and deed:

(i) the ICG Subscription Agreement;

(ii) the Hutchison Subscription Agreement;

(iii) the LKS Foundation Subscription Agreement; and

(iv) the Option Deed;

(i) the completion of due diligence on the Company by the relevant Subscribers without identification of any matters which would have a material adverse effect on the financial standing of the Company such that:

(i) the net asset value of the Company as at the date of the Subscription Agreements, as determined by the auditor of the Company, shall be less than HK\$300 million;

(ii) the Company shall hold less than HK\$300 million of cash net of short and long term debt or liability at Completion;
or

(iii) the Company shall have any material indebtedness or liabilities, contingent or otherwise as at the date of Completion, of over HK\$10 million which are not fully provided for in the audited balance sheet of the Company as at 31st December, 1998;

(j) the continued listing and trading of the Shares on the Stock Exchange, save for any temporary suspension not exceeding 10 consecutive trading days (or such longer period as the Subscribers may reasonably accept in writing) and any temporary suspension in connection with clearance of the announcement in relation to the Subscription Agreements and

no indication being received on or before Completion from SFC or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto except those the Subscribers shall reasonably accept) as a result of Completion or in connection with the terms of the Subscription Agreements; and

(k) if so required, the consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Subscription Agreements required by the parties having been obtained from appropriate governments, governmental, supranational or trade agencies, courts, other regulatory bodies, banks, financial institutions or other third parties on terms satisfactory to the parties and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

Each Subscriber alone shall be entitled in its absolute discretion, by written notice to the Company, to waive any or all of the conditions precedent set out above in (a)(iii), (a)(iv), (a)(vi), (a)(vii), (d), (i), (j) and (k) so far as it concerns the relevant Subscriber, either in whole or in part. The Company alone shall be entitled in its absolute discretion, by written notice to the Subscribers, to waive the conditions precedent set out above in (k) so far as it concerns the Company.

ICG has undertaken to Goldman Sachs (Asia) L.L.C. that it will not waive the Whitewash Waiver condition and extend the general offer for all the Shares other than those already owned or agreed to be acquired by ICG or its Concert Parties unless Goldman Sachs (Asia) L.L.C. is satisfied that ICG has sufficient financial resources to satisfy full acceptance of the general offer.

Completion

The Completion will take place on the third business day after all conditions of the Subscription Agreements have been satisfied (or waived or such other date as may be agreed between the parties). It is expected that the date of Completion will be in May 2000. In the event that the conditions (a)(iii), (a)(iv), (a)(vi), (a)(vii), (f), (i), (j) and (k) (in so far as it relates to it) of Subscription Agreements are not fulfilled or waived by the relevant Subscriber by 31st July, 2000, it will lapse. In the event that the condition (j) is not fulfilled by the Company by 31st July, 2000, the Subscription Agreements will lapse.

Use of proceeds

The gross proceeds from the Subscriptions are estimated to amount to about HK\$1,124 million. It is intended that the net proceeds will be used principally to expand the business of the Group, in particular, to be an incubator, acquirer and builder of market maker, software and service companies that enable business-to-business e-commerce. At present, there is no specific project under consideration.

THE OPTION DEED

Date

9th March, 2000

Parties

The Company
Shamrock
HWL (as guarantor)

Shamrock is a company incorporated in the British Virgin Islands and is owned as to 50% by Morgania Wave Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of HWL, as to 25% by Reading and as to 25% by International Toys. As at the date of this announcement, International Toys and Reading hold an aggregate of 649,600 Shares, representing approximately 37.5% of the existing issued share capital of the Company. Dr. Luk Chung Lam and Messrs. Ko Yuet Ming, Tam Yue Man and Luk Tei, Lewis, all are existing executive directors of the Company who beneficially own approximately 57%, 17.4%, 3.9% and 6.3%, respectively, of the issued share capital of International Toys. Acefield beneficially owns 92.9% of the issued share capital of Reading. Dr. Luk Chung Lam and Messrs. Ko Yuet Man, Tam Yue Man and Luk Tei, Lewis beneficially own approximately 63.9%, 19.5%, 4.4% and 3.0%, respectively, of the issued share capital of Acefield.

The Put Option

Subject to the fulfilment of condition (a) set out under the section headed ``Conditions of the Option Deed'' below, Shamrock has agreed to grant the Company the Put Option to require Shamrock to acquire all (but not part only) of the Toy and Property Operations at a consideration of HK\$225,413,220 exercisable during a period of two years after Completion subject to provisions for extensions thereof as stated therein. HWL has unconditionally and irrevocably guaranteed all of the obligations, in particular, payment of the consideration of Shamrock under the Put Option. The Company has agreed to notify Shamrock as soon as practicable of the detailed terms of any proposal for the sale of the Toy and Property Operations by the Company to any third party such that Shamrock shall be given a reasonable opportunity to submit an offer for the same if it so wishes.

On the basis of the existing composition of the assets of the Group, the assets of the Group would comprise principally of cash assuming that the Put Option were exercised as at the date hereof. The Stock Exchange has indicated its concern on the suitability of listing of cash companies as described under the Listing Rules. The Stock Exchange will closely monitor the situation of the Company upon the exercise of the Put Option.

Conditions of the Option Deed

The obligation to grant the Put Option is conditional upon fulfilment of the following conditions on or before 31st July, 2000 or such other date as the parties may agree in writing:

(a) the Subscription Agreements becoming unconditional (save for any matter which is conditional or contingent upon

the Option Deed becoming unconditional) and the Subscriptions occurring in accordance with the respective terms of the Subscription Agreements; and

(b) the granting of the Put Option and the consummation of the transactions contemplated under the Option Deed being approved by the Independent Shareholders at a special general meeting of the Company taken on a poll and an independent financial adviser to the Company opining that the terms thereof are fair and reasonable and the Executive giving his consent under Note 4 to Rule 25 of the Takeover Code.

Completion is conditional upon the Company not having received any objection from the Stock Exchange or the SFC to the effect that the listing of the Shares on the Stock Exchange may or is likely to be withdrawn as a result of the performance by the Company and Shamrock of their respective obligations under the Option Deed within 14 days of the Company giving its written notice to the Stock Exchange and the SFC.

TAKEOVER CODE IMPLICATION FOR ICG

HWL, Reading, International Toys, Acefield, Dr. Luk Chung Lam, Messrs. Ko Yuet Man, Tam Yue Man and Luk Tei, Lewis have been deemed to be acting in concert with respect to control of the Company. As a result of entering into of the Subscription Agreements, HWL and ICG become Concert Parties with respect to control of the Company. As such, HWL, ICG, Reading, International Toys, Acefiled, Dr. Luk Chung Lam, Messrs. Ko Yuet Man and Luk Tei, Lewis are deemed to be a concert group with respect to control of the Company in contemplation of this transaction.

At present, ICG and its Concert Parties own 1,025,752,000 Shares other than pursuant to the Subscription Agreements. Upon Completion, ICG, and its Concert Parties will be interested in 4,499,130,000 Shares, representing about 82.1% of the issued share capital of the Company as enlarged by the New Shares to be issued under the Subscriptions. The existing shareholding structure and the shareholding structure on Completion are set out in the section headed ``Shareholding structure'' below. Neither ICG nor any of its Concert Parties had dealt in the Shares during the six months period prior to the date of this announcement.

Under Rule 26 of the Takeover Code, upon Completion, ICG is obliged to make an unconditional general offer for all the issued Shares not already owned or agreed to be acquired by ICG or its Concert Parties.

An application will be made by ICG to the Executive for the Whitewash Waiver, which, if granted, would normally be subject to the approval of the shareholders of the Company who are not involved or interested in the Subscriptions on a vote taken by a way of a poll. The Executive may or may not grant the Whitewash Waiver. Completion is conditional upon, inter alia, the granting of the Whitewash Waiver by the Executive. Under the Subscription Agreements, this condition can be waived by ICG. If the Whitewash Waiver is not obtained, ICG may waive this condition and consider making an unconditional general offer for all the Shares other than those already owned by the ICG or its Concert Parties failing which the Subscription Agreements will lapse.

SPECIAL DEAL CONSENT

The granting of the Put Option will constitute a special deal under Rule 25 of the Takeover Code and hence requires consent from the Executive. An application will be made to the Executive for the Special Deal Consent which, if given, will be subject to the independent financial adviser to the Company stating that in its opinion the terms of the Put Option are fair and reasonable and the granting of the Put Option being approved by the Independent Shareholders at a special general meeting of the Company on a vote taken by way of a poll.

SHAREHOLDING STRUCTURE

Set out below is a table showing the existing shareholding structure and the structure on completion of the Subscriptions (but not taking into account the Shares issued pursuant to any exercise of the Warrants).

	Existing		Assuming outstanding employees share options of the Company are exercised in full		Upon completion of the proposal	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
ICG	---	0.0%	---	0.0%	3,018,400,000	54.9%
Hutchison Subsidiary	368,222,000	21.3%	368,222,000	21.0%	823,200,000	15.0%
LKS Foundation	---	0.0%	---	0.0%	274,400,000	5.0%
	368,222,000	21.3%	368,222,000	21.0%	4,116,000,000	74.9%
Dr. Luk Chung Lam and his Associates	651,400,000	37.6%	653,900,000	37.3%	653,900,000	11.9%
Other directors of the Company*	7,798,000	0.4%	15,298,000	0.9%	15,298,000	0.3%
A wholly owned subsidiary of Playmates Toys Holdings Limited	238,218,000	13.8%	238,218,000	13.6%	238,218,000	4.3%
Other shareholders	465,239,402	26.9%	475,739,402	27.2%	475,739,402	8.6%
	1,730,877,402	100.0%	1,751,377,402	100.0%	5,499,155,402	100.0%

* Assume all existing directors of the Company will resign upon the Completion

INFORMATION ON THE GROUP

Business

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange. The Company is an investment holding company and its subsidiaries are

principally engaged in the manufacture and trading of toys, and the sale and investment of properties.

Financial information

The following table sets out a summary of the audited consolidated results of the Company for the three years ended 31st December, 1998

For the year ended 31st December,

	1996	1997	1998	
	HK\$'million	HK\$'million	HK\$'million	
Turnover		1,744	1,601	1,517
Profit attributable to shareholders		101	33	42

As at 31st December, 1998, the audited consolidated net asset value of the Company was HK\$1,513 million.

INFORMATION ON ICG

Business

ICG is incorporated under the laws of the State of Delaware of the US with limited liability and its shares are listed on NASDAQ. ICG is an internet company actively engaged in business-to-business e-commerce through a network of partner companies. It provides operational assistance, capital support, industry expertise and a strategic network of business relationship intended to maximise the long-term potential of more than 55 business-to-business e-commerce partner companies.

Financial information

The following table sets out a summary of the audited consolidated results of ICG for the three years ended 31st December, 1999

	For the year ended 31st December,		
	1997	1998	1999
	US\$'million	US\$'million	US\$'million
Net sales	0.79	3.13	16.54
Net income/(loss)	(6.58)	13.90	(29.78)

As at 31st December, 1998, the audited net asset of ICG was about US\$87.1 million (about HK\$677.48 million). The market capitalisation of ICG was about US\$37 billion (about HK\$286 billion) as at 7th March, 2000.

INTENTION ON THE GROUP

Business

It is intended that after Completion the Group will continue the existing business of manufacturing and trading of toys, and the sale and investment of properties. The directors of

ICG will conduct a review of the financial position and operations of the Group with a view to determining the strategy towards such business activities.

Upon Completion, the existing and future directors of the Company will aim to position the Group strategically to benefit from the growth of the Internet sector in Asia. The Company will acquire and build leading Asian-based business-to-business market makers infrastructure companies, such as digital exchanges, consulting firms, software companies, and outsourced service providers. In addition, the Company will operate several business incubation centres in Hong Kong and the Greater China region that will serve as a platform to bring ICG's market makers and infrastructure providers to Asia and start new Asian-based companies. The Company intends to accelerate the development of these companies by providing strategy, technology and executive recruiting, in addition to the operational expertise of ICG's global executive team and extensive network of partner companies.

There is no plan for ICG to inject any of its existing assets or businesses into the Group. The directors of ICG and of HWL believe that the two groups form a strong business alliance in exploring and developing business opportunities in Asia.

The directors of HWL presently intend to continue to hold the Shares as a strategic investment.

Directors of the Company

It is the intention of ICG to nominate Mr. Kenneth A. Fox and Mr. Victor S. Hwang to the board of directors of the Company. It is also the intention of ICG to nominate an additional three directors to the board of directors of the Company. It is intended that other than Mr. Canning Fok and Mr. Dominic Lai, both of whom are nominated by HWL, all the existing directors of the Company will resign upon the completion of the Subscription Agreements. As such, the board of directors of the Company would comprise nine directors, including two independent non-executive directors.

Particulars of Mr. Kenneth A. Fox, Mr. Victor S. Hwang are as follows:

Mr. Kenneth A. Fox is co-founder of ICG. He has served as one of ICG's Managing Directors since ICG's inception in March 1996 and as one of its directors since February 1999. Prior to co-founding ICG, Mr. Fox served as Director of West Coast Operations for Safeguard Scientifics, Inc. and Technology Leaders II, L.P., a venture capital partnership, from 1994 to 1996. In this capacity, Mr. Fox led the development of and managed the West Coast Operations for these companies. Mr. Fox serves as a director of AUTOVIA Corporation, Bidcom, Inc., Commerx, Inc., Deja.com, Inc., Entegriy Solutions Corporation, ONVIA.com, Inc. and Vivant! Corporation.

Mr. Victor S. Hwang has served as one of ICG's Managing Directors of Acquisitions since March 1999. Prior to joining ICG, Mr. Hwang served from January 1999 to March 1999 as a General Partner of Softbank Holdings, responsible for developing an investment fund targeting late-stage private internet companies. From August 1995 to January 1999, Mr. Hwang

also served as an investment banker at Goldman Sachs & Co., where he was involved in numerous financing and merger transactions for a broad range of internet, software, semiconductor, communications, and hardware companies.

The directors of ICG intend that there will be no material changes to the existing management and employees of the Company and its subsidiaries by reason only of the Subscriptions.

CHANGE OF COMPANY NAME

It is proposed that subject to the approval of the Registrar of Companies in Bermuda, the name of Harbour Ring International Holdings Limited will be changed to ICG AsiaWorks Limited to reflect the change in control of the Company and the anticipated future development of the Company. The change of name will also be subject to the passing of a special resolution by the shareholders of the Company at a special general meeting to approve such change.

MAINTAINING THE LISTING OF THE COMPANY

It is the intention of the directors of ICG to maintain the listing of the Company on the Stock Exchange after Completion. The directors of ICG will jointly and severally undertake to the Stock Exchange that appropriate steps will be taken to ensure that sufficient public float exists for the Shares within one month after the Completion. The directors including the new directors of the Company will jointly and severally undertake to the Stock Exchange that appropriate steps will be taken to ensure that sufficient public float exists for the Shares within one month after the Completion.

The Stock Exchange has stated that it will closely monitor trading in the Shares if less than 25% of the Shares are held by the public. The future directors of the Company are aware of the possibility of the Company public float falling below 25% immediately after Completion and will address this issue accordingly, including by means of the placement of shares. If the Stock Exchange believes that:

- * a false market exists or may exist in the Shares; or
- * there are too few Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares. In this connection, it should be noted that upon the Completion, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by the Company. The Stock Exchange has the discretion to require the Company to issue a circular to its shareholders irrespective of the size of any proposed transaction, particularly when such proposed transaction represents a departure from the principal activities of the Company. The Stock Exchange also has the power to aggregate a series of transactions and any such transactions may result in the Company being treated as if it were a new listing applicant.

SUSPENSION AND RESUMPTION OF TRADING IN THE SECURITIES

Trading in the securities of the Company on the Stock Exchange was suspended at the request of the Company with effect from 2.30 p.m. on 1st March, 2000 pending release of this announcement. Application has been made by the Company for the resumption of trading in the securities of the Company with effect from 10.00 a.m. on 10th March, 2000.

ADDITIONAL INFORMATION

In consideration of HWL providing the representations, warranties, undertakings and indemnity as warrantor in favour of ICG under the Subscription Agreements and giving the Option Deed Guarantee;

(a) International Toys and Reading have irrevocably and unconditionally granted to Morgania Wave Limited, an indirect wholly owned subsidiary of HWL, an option to sell to International Toys and Reading all shares in issue as are held by it in Shamrock at HK\$112,706,610 during a 14 days period commencing from the date the Company gives notice of its intention to exercise the Put Option; and

(b) Reading and International Toys have irrevocably and unconditionally undertaken, jointly and severally, to indemnify HWL from and against 50% of, amongst others, all claims and loans which HWL may incur in connection with the giving of the warranties and representations, the Subscription Agreements and the giving of the Option Deed Guarantee, provided that the aggregate liability of Reading and International Toys under such indemnity shall not be less than US\$75 million.

A memorandum of understanding between HWL and ICG relating to the formation of a company to be engaged in the web-based business-to-business procurement portal in Asia has been signed on 9th March, 2000. Such company will be initially owned as to 65% by HWL and 35% by ICG.

GENERAL

Reading and International Toys have undertaken to the Company that out of an aggregate of 649,600,000 Shares held by them, they will not dispose of 50% of such Shares, being 324,800,000 Shares and representing approximately 5.9% of the issued share capital of the Company as enlarged by the Subscriptions and assuming all the outstanding employees share options of the Company are exercised in full until six months after the Completion. As for 110,000,000 Shares out of the other 324,800,000 Shares, Reading and International Toys have undertaken to the Company to dispose such Shares to independent third parties within two weeks after the Completion with an aim to achieving the minimum public shareholding of the Company.

The Company will also enter into the Management Services Agreement at or prior to Completion with Union Court Holdings Limited, Dr. Luk Chung Lam, Messrs. Ko Yuet Ming, Tam Yue Man and Luk Tei, Lewis, under which Union Court Holdings Limited agrees to provide management services to the Group and the Company agrees to give Union Court Holdings Limited the exclusive right to manage and operate the Toy and Property

Operations on terms that are no better than those under the existing employment arrangements of Dr. Luk Chung Lam, Messrs. Ko Yuet Ming, Tam Yue Man and Luk Tei, Lewis. It is expected that the Toy and Property Operations will, after Completion, be managed in the same way as they were prior to the date of this announcement.

The entering into of the Hutchison Subscription Agreement constitutes a connected transaction for the Company under the Listing Rules. Similarly, the entering into of the Option Deed also constitutes a connected transaction for the Company under the Listing Rules. The entering into of the Management Services Agreement also constitutes a connected transaction for the Company under the Listing Rules.

An independent board committee of the board of directors of the Company will be appointed to consider the Subscriptions, the Option Deed and the Management Services Agreement. An independent financial adviser will be appointed to advise the independent board committee regarding the Subscriptions, the Option Deed and the Management Service Agreement. Dr. Luk Chung Lam and his Associates and Concert Parties, and HWL and its Concert Parties will abstain from voting on the resolutions to approve the Subscriptions, the Option Deed and the Management Services Agreement respectively.

Goldman Sachs (Asia) L.L.C. has been appointed to advise ICG in connection with this transaction. BNP Prime Peregrine Capital Limited has been appointed to advise the Company in connection with this transaction.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be issued under the Subscriptions and on exercise of the Warrants.

A composite document containing details of the Subscriptions, the Option Deed, the Management Services Agreement the advice of the independent committee of the board of directors, the advice of the independent financial adviser and notice of a special general meeting, will be sent to the shareholders of the Company as soon as practicable.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

``Associate(s)'' has the meaning ascribed thereto under the Listing Rules

``Company'' Harbour Ring International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange

``Completion'' completion of the Subscription Agreements

``Concert Parties'' has the meaning ascribed thereto under the Takeover Code

``Executive'' the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

``Group'' the Company and its subsidiaries

``Hong Kong'' Hong Kong Special Administrative Region of the People's Republic of China

``HWL'' Hutchison Whampoa Limited which is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange

``Hutchison Subscription Agreement'' the subscription agreement dated 9th March, 2000 between the Company and HWL relating to the subscription for 454,978,000 Shares in aggregate

``HWL Sub'' Promising Land International Inc., a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of HWL

``ICG'' Internet Capital Group, Inc., a company incorporated in the State of Delaware in the US with limited liability, the shares of which are listed on NASDAQ

``ICG Subscription Agreement'' the subscription agreement dated 9th March, 2000 between the Company and ICG relating to the subscription by ICG for 3,018,400,000 Shares in aggregate

``Independent Shareholders'' shareholders of the Company other than Dr. Luk Chung Lam and his Associates and Concert Parties, and HWL and its Concert Parties

``International Toys'' International Toys (B.V.I.) Limited

``LKS Foundation'' Li Ka Shing Foundation Limited, a company established in accordance with the laws of Hong Kong

``LKS Foundation Subscription Agreement'' the subscription agreement dated 9th March, 2000 between the Company and LKS Foundation relating to the subscription for 274,400,000 Shares in aggregate

``Listing Rules'' Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

``Management Services Agreement'' the agreement to be entered into between the Company and Union Court Holdings Limited for the provision of management services to the Group

``NASDAQ'' the Nasdaq Stock Market, Inc. in the US

``New Share(s)'' 3,747,778,000 new Shares to be issued pursuant to the Subscriptions

``Option Deed'' the deed dated 9th March, 2000 granted by Shamrock in favour of the Company pursuant to which Shamrock grants the Put Option to the Company

``Option Deed Guarantee'' the performance guarantee of Shamrock given by HWL under the Option Deed

``Put Option'' the option granted by Shamrock to the Company to require Shamrock to acquire all (but not part only) of the Toy and Property Operations at a consideration of HK\$225,413,200 exercisable during a period of two years after Completion subject to provisions for extension thereof

``Reading'' Reading Investments Limited

``SFC'' Securities and Futures Commission

``Shamrock'' Shamrock Green Limited

``Share(s)'' ordinary share(s) of HK\$0.10 each in the capital of the Company

``Share Option Scheme'' the employee share option scheme adopted by the Company on 6th June, 1991

``Special Deal Consent'' the consent from the Executive required under Note 4 to Rule 25 of the Takeover Code

``Subscribers'' ICG, HWL Sub and LKS Foundation

``Subscriptions'' the subscriptions of the New Shares and the Warrants by ICG, HWL Sub and LKS Foundation respectively on the terms of the Subscription Agreements

``Subscription Agreements'' the ICG Subscription Agreement, the Hutchison Subscription Agreement and the LKS Foundation Subscription Agreement

``Stock Exchange'' The Stock Exchange of Hong Kong Limited

``Takeover Code'' The Hong Kong Code on Takeovers and Mergers

``Toy and Property Operations'' the assets, rights and title owned by and liabilities owed or owing by toy and property interests and activities of the Group together with the liabilities owed or owed by the Group in respect of the toy and property interests and activities of the Group

``Warrant(s)'' the warrant(s) to be issued by the Company to ICG, HWL and LKS Foundation conferring the Subscribers the right to subscribe for up to 1,095,000,000 new Shares in aggregate during the period of three years after the date of issue at an initial subscription price of HK\$0.39 per Share

``Whitewash Waiver'' a waiver from the obligation to make a general offer under the Takeover Code pursuant to Note 1 on dispensations from Rule 26 of the Takeover Code

``US'' United States of America

``HK\$'' Hong Kong dollar(s), the lawful currency in Hong Kong

``US\$'' United States dollar(s), the lawful currency in the US

In this announcement, for reference only and unless otherwise specified, the translation of United States dollars into Hong Kong dollars is based on the exchange rate of HK\$7.78 to US\$1.00

By Order of the board of
Internet Capital Group, Inc.
Kenneth A. Fox
Managing Director

By Order of the board of
Hutchison Whampoa Limited
Edith Shih
Company Secretary

By Order of the board of
Harbour Ring International Holdings Limited
Luk Chung Lam

Chairman

Hong Kong, 9th March, 2000

The directors of ICG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the HWL group and the Group) 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 (other than those relating to the HWL group and the Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of HWL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to ICG and the Group) 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 (other than those relating to ICG and the Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading .

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to ICG and the HWL group) 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 (other than those relating to ICG and the HWL group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.