

PROMISING LAND INTERNATIONAL INC.

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**PROMISING LAND  
INTERNATIONAL INC.**

*(Incorporated in the British Virgin Islands with  
limited liability)*

**an indirect wholly owned subsidiary of  
Hutchison Whampoa Limited**  
*(Incorporated in Hong Kong with limited  
liability)*

**READING INVESTMENTS  
LIMITED**

*(Incorporated in the British Virgin Islands with  
limited liability)*

**JOINT ANNOUNCEMENT**

**VOLUNTARY CONDITIONAL CASH OFFERS BY  
SALOMON SMITH BARNEY HONG KONG LIMITED**

**ON BEHALF OF**

**PROMISING LAND INTERNATIONAL INC.**

**AND READING INVESTMENTS LIMITED**

**TO ACQUIRE ALL OF THE SHARES IN THE ENTIRE ISSUED**

**SHARE CAPITAL OF**

**AND OUTSTANDING WARRANTS OF ICG ASIA LIMITED**

**(other than those already owned by the Offerors or parties acting in  
concert with them)**

## PROMISING LAND INTERNATIONAL INC.

The Offerors announce that they intend to make a voluntary conditional cash offer to acquire all the shares in the entire issued share capital of ICG Asia (other than those already owned by the Offerors or parties acting in concert with them) and a voluntary conditional cash offer to acquire all the outstanding Warrants (other than that already owned by PLI).

The Share Offer will comprise HK\$0.25 in cash for each ICG Asia Share, which represents a discount of approximately 46.2 per cent to the last trading price of ICG Asia Shares on the Stock Exchange of HK\$0.465 per share prior to the suspension of trading in ICG Asia Shares on 11th June, 2001. The Warrant Offer will comprise HK\$1.00 in cash for each Warrant.

The Offers will be conditional (see "Conditions of the Offers" below). The Share Offer will be subject to and conditional upon valid acceptances having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or before the Closing Date in respect of ICG Asia Shares, which together with the ICG Asia Shares held by the Offerors and parties acting in concert with them constitute more than 50.0 per cent of the entire issued share capital of ICG Asia, carrying more than 50.0 per cent of the voting rights normally exercisable at general meetings of ICG Asia. The Warrant Offer will be subject to and conditional upon the Share Offer becoming unconditional in all respects.

In respect of the Subject Shares, PLI shall acquire 2,082,300,133 ICG Asia Shares and RIL shall acquire 936,356,392 ICG Asia Shares.

In respect of ICG Asia Shares (other than the Subject Shares) accepted under the Share Offer, PLI and RIL shall acquire such ICG Asia Shares in the proportion of 2:1 provided that RIL will only acquire up to 1,000,000,000 ICG Asia Shares accepted under the terms of the Offers (including the 936,356,392 Subject Shares mentioned above) and PLI will acquire the balance of the ICG Asia Shares under the Share Offer.

In respect of the Subject Warrant, PLI shall acquire such part of it conferring the right to subscribe for up to 535,000,000 ICG Asia Shares and RIL shall acquire the balance thereof conferring the right to subscribe for up to 268,000,000 ICG Asia Shares.

In respect of Warrants (other than the Subject Warrant) accepted under the Warrant Offer, PLI and RIL shall acquire such Warrants in the proportion of 2:1.

The Offerors and the Vendors have entered into the Agreement dated 20th June, 2001 pursuant to which the Vendors have irrevocably undertaken to accept the Share Offer in respect of an aggregate of 3,018,656,525 ICG Asia Shares currently owned by the Vendors on the second

## PROMISING LAND INTERNATIONAL INC.

business day after the Offer Document is posted. Upon such acceptances being received, the Offers will be declared unconditional in all respects. The Subject Shares represent in aggregate approximately 53.8 per cent of the existing issued share capital of ICG Asia. Pursuant to the Agreement, ICG has also given an irrevocable undertaking to the Offerors to accept the Warrant Offer in respect of the Subject Warrant currently owned by ICG.

The Offerors will despatch a formal offer document setting out the terms and other details of the Offers, together with acceptance and transfer forms, within 21 days after the date of this Announcement.

## INTRODUCTION

The Offerors announce that they intend to make, through Salomon Smith Barney, a voluntary conditional cash offer to acquire all the shares in the entire issued share capital of ICG Asia (other than those already owned by the Offerors or parties acting in concert with them) and a voluntary conditional cash offer to acquire all the outstanding Warrants (other than that already owned by PLI).

The Offerors and the Vendors have entered into the Agreement pursuant to which and subject to the terms and conditions therein the Vendors have irrevocably undertaken to accept the Share Offer in respect of 3,018,656,525 ICG Asia Shares, which represent in aggregate approximately 53.8 per cent of the existing issued share capital of ICG Asia. Pursuant to the Agreement, the Offerors have also received an irrevocable undertaking from ICG to accept the Warrant Offer in respect of the Subject Warrant. See the paragraph headed “Undertakings to Accept” below.

As at the date of this Announcement, of the aggregate number of the Subject Shares, ICG is the beneficial owner of 2,680,556,525 ICG Asia Shares, representing approximately 47.8 per cent of the existing issued share capital of ICG Asia. AECL, a company which is owned as to approximately 78.6 per cent by a subsidiary of ICGI and approximately 21.4 per cent by PLI, is the registered and beneficial owner of the remaining 338,100,000 ICG Asia Shares, representing approximately 6.0 per cent of the existing issued share capital of ICG Asia.

## THE OFFERS

### Offers

The Offers, comprising the Share Offer and the Warrant Offer, will be made in compliance with the Takeovers Code and on the following basis:

## PROMISING LAND INTERNATIONAL INC.

**For each ICG Asia Share HK\$0.25 in cash.**  
**For each of the Warrants HK\$1.00 in cash.**

The Warrants are not listed on any exchanges. Save for the Warrants, there are currently no other securities issued by ICG Asia that are convertible into ICG Asia Shares.

### **Comparisons of value**

ICG Asia Shares traded in a price range of HK\$0.248 to HK\$0.465 per ICG Asia Share during the period from 12th March, 2001 to 11th June, 2001.

The average closing price per ICG Asia Share over the 10 trading days up to and including 11th June, 2001, being the day of the suspension of trading in ICG Asia Shares pending the issue of this Announcement, was HK\$0.332.

ICG Asia recorded an audited consolidated loss attributable to shareholders of HK\$1,037,160,000 for the year ended 31st December, 2000, compared to an audited consolidated profit to shareholders of HK\$63,863,000 for the year ended 31st December, 1999.

The Share Offer Price represents:

- (a) a discount of approximately 46.2 per cent and 21.9 per cent to the closing price of ICG Asia Share on the Stock Exchange of HK\$0.465 on 11th June, 2001 and HK\$0.320 on 8th June, 2001, respectively;
- (b) a discount of approximately 21.6 per cent, 17.8 per cent, and 15.5 per cent to the average closing prices of ICG Asia Shares of approximately HK\$0.319, HK\$0.304 and HK\$0.296 per ICG Asia Share on the Stock Exchange for the 20, 40 and 60 trading days respectively immediately prior to and including the date of this Announcement; and
- (c) a discount of approximately 35.4 per cent to the net asset value per ICG Asia Share of approximately HK\$0.387 as at 31st December, 2000 (based on net tangible assets of HK\$1,643,297,000 and the average weighted number of ICG Asia Shares of 4,246,536,000).

The Share Offer Price, the Warrant Offer Price and the terms of the Offers were arrived at after arm's length negotiations between the Offerors and the Vendors.

### **Highest and Lowest Prices**

## PROMISING LAND INTERNATIONAL INC.

During the six month period preceding the date of this Announcement, the highest closing price of an ICG Asia Share on the Stock Exchange was HK\$0.475 on 9th January, 2001, and the lowest closing price of an ICG Asia Share on the Stock Exchange was HK\$0.248 on both 4th April, 2001 and 10th April, 2001.

### **Total Consideration**

On the basis of the Share Offer Price of HK\$0.25 per ICG Asia Share, the issued share capital of ICG Asia (other than those ICG Asia Shares already owned by the Offerors or parties acting in concert with them) is valued under the Share Offer at approximately HK\$1,150.9 million. The consideration payable by PLI and RIL for ICG Asia Shares and the Warrants (other than those already owned by the Offerors or parties acting in concert with them) accepted under the Offers, if the Offers are accepted in full, is approximately HK\$900.9 million and HK\$250.0 million, respectively.

In respect of the Subject Shares, PLI shall acquire 2,082,300,133 ICG Asia Shares and RIL shall acquire 936,356,392 ICG Asia Shares.

In respect of ICG Asia Shares (other than the Subject Shares) accepted under the Share Offer, PLI and RIL shall acquire such ICG Asia Shares in the proportion of 2:1 provided that RIL will only acquire up to 1,000,000,000 ICG Asia Shares (including the 936,356,392 Subject Shares mentioned above) and PLI will acquire the balance of the Share Offer.

In respect of the Subject Warrant, PLI shall acquire such part of it conferring the right to subscribe for up to 535,000,000 ICG Asia Shares and RIL shall acquire the balance thereof conferring the right to subscribe for up to 268,000,000 ICG Asia Shares.

In respect of Warrants (other than the Subject Warrant) accepted under the Warrant Offer, PLI and RIL shall acquire such Warrants in the proportion of 2:1.

Salomon Smith Barney is satisfied that sufficient financial resources are available to the Offerors to meet full acceptance of the Offers. The Offers will be financed by internal resources of the Offerors.

### **Terms of the Offers**

Under the Offers, ICG Asia Shares and the Warrants will be acquired with all rights attached thereto as at the date on which the Offers are made or subsequently becoming attached thereto

## PROMISING LAND INTERNATIONAL INC.

and free of all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

### **Payment**

Payment in cash in respect of acceptances of the Offers will be made on or within ten days of the date on which the relevant documents of title are received by the Offerors to render each such acceptance complete and valid or within ten days of the Unconditional Date, whichever is the later, except that payment due to those who accept the Offers on or before the Unconditional Date will be made on the Unconditional Date.

### **Stamp Duty**

Sellers' ad valorem stamp duty for ICG Asia Shares registered on the Hong Kong branch register arising in connection with acceptance of the Share Offer will be payable by each ICG Asia Shareholder at the rate of HK\$1.125 for every HK\$1,000 or part thereof of the consideration payable by the Offerors for such person's ICG Asia Shares and will be deducted from the cash amount due to such person under the Share Offer.

### **Offerors' Undertaking**

The Offerors have undertaken in the Agreement that, in the event that the Offers become fully unconditional, the Offerors shall, as soon as reasonably practicable and in any event within a period of six months (in the case of any Group Company (other than ICG Asia) incorporated outside Hong Kong) and three months (in the case of ICG Asia and all Group Companies incorporated in Hong Kong) thereafter, take, or procure the taking of, such steps within the control of the Offerors and each such Group Company as may be necessary to procure that ICG Asia removes any reference to the name "ICG" and the "ICG" logo used by ICG Asia in the name or business description and business materials of ICG Asia and any of its subsidiaries. The Offerors have also undertaken to the Vendors to procure that ICG Asia and each of its subsidiaries will subject to the change of name as mentioned above relinquish all rights to the use of such name and logo and acknowledge that, among other things, they have given up entirely and have no further rights or claims in respect of such name or logo and have not assigned any rights in respect of such name or logo to a third party.

## **INFORMATION ON THE ICG ASIA GROUP**

ICG Asia (formerly known as Harbour Ring International Holdings Limited) is incorporated in Bermuda and its shares are listed on the Stock Exchange. ICG Asia is a holding company and its

## PROMISING LAND INTERNATIONAL INC.

subsidiaries are principally engaged in the manufacture and trading of toys and accessories, and the sale of, and investment in, properties. The toy operation consists principally of (i) the business of manufacturing and trading of toys and accessories through Harbour Ring Toys Group Ltd., a wholly-owned subsidiary of ICG Asia, and such other members of the ICG Asia group as are engaged in such business and (ii) the business of property development in Hong Kong and the PRC, which is carried on by certain members of the ICG Asia group, including Harbour Ring Property Holdings Limited.

Since April 2000, ICG Asia has diversified its business into business-to-business (“B2B”) technology businesses. ICG Asia serves B2B technology needs of leading Asian corporations, by providing the appropriate technology and service offerings.

Further information in relation to ICG Asia will be included in the Offer Document.

The current shareholding structure of ICG Asia is summarised as follows (all percentages are approximations):

	<b>Existing shareholding structure</b>	
	<b>Number of ICG Asia Shares</b>	<b>Percentage Shareholding</b>
<b>The Offerors</b>		
PLI (1)	750,750,000	13.38%
RIL (2)	129,000,000	2.30%
<b>The Vendors</b>		
ICG(3)	2,752,750,000	49.07%
AECL(4)	338,100,000	6.03%
<b>Existing shareholders who are considered as parties acting in concert with the Offerors</b>		
International Toys (B.V.I.) Limited (2)	112,000,000	2.00%
Dr. Luk Chung Lam	3,450,000	0.06%
Mr. Ko Yuet Ming (5)	3,084,000	0.05%
Mr. Tam Yue Man	3,500,000	0.06%
Mr. Luk Tei, Lewis	4,630,000	0.08%
<b>Existing shareholders who are not considered as parties acting in concert with the Offerors</b>		
Public	1,512,736,263	26.97%
<b>Total</b>	<b>5,610,000,263</b>	<b>100.00%</b>

*Notes:*

- (1) PLI is a wholly owned subsidiary of Hutchison International Limited, which in turn is a wholly owned subsidiary of HWL.

## PROMISING LAND INTERNATIONAL INC.

- (2) The ultimate controlling shareholder of RIL and International Toys (B.V.I.) Limited is Dr. Luk Chung Lam.
- (3) ICGI indirectly owns all of the general partnership interest in ICG, and is thus deemed to be interested in the ICG Asia Shares owned by ICG. Of these 2,752,750,000 ICG Asia Shares, 72,193,475 ICG Asia Shares are held by ICG on behalf of certain employees of ICGI's affiliates.
- (4) ICGI indirectly owns approximately 78.6 per cent of AECL, and therefore is deemed to be interested in the ordinary shares owned by AECL. The remaining 21.4 per cent of AECL is owned by PLI.
- (5) These 3,084,000 ICG Asia Shares are held as to 3,000,000 ICG Asia Shares by Mr. Ko Yuet Ming, and as to 84,000 ICG Asia Shares by his spouse.

## INFORMATION ON THE OFFERORS

### PLI

PLI is a company incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of HWL. PLI is an investment holding company.

### RIL

RIL is a company incorporated in the British Virgin Islands and is ultimately controlled by Dr. Luk Chung Lam, a director of RIL and a party deemed to be acting in concert with the Offerors under the Takeovers Code. RIL is an investment holding company whose only business and assets are its shareholding in ICG Asia.

## REASONS FOR THE OFFERS

The principal activities of ICG Asia prior to the subscription agreement entered into between, inter alios, ICG Asia (formerly known as Harbour Ring International Holdings Limited), ICGI and PLI in April 2000 were the manufacture and trading of toys and accessories, sale of properties, and property investment. At the time of such subscription agreement, ICGI had the intention to position ICG Asia Group strategically to benefit from the growth of the Internet sector in Asia. A number of B2B investments have been made by ICG Asia in the past 12 months under the control of ICGI.



## PROMISING LAND INTERNATIONAL INC.

In view of the current market environment and market outlook, the Offerors intend, if the Offers are completed, to focus on ICG Asia's existing toy and property businesses. It is the intention of the Offerors that the toy operating business of ICG Asia will continue to utilise its existing well-equipped production facilities and its strong customer base to provide quality toy products to its customers and further enhance its market share and competitiveness in the toy market.

The Offerors believe that there should be stable growth prospects in the Asian toy trading and property businesses. The Offerors also consider that it would be in the interests of ICG Asia Shareholders if ICG Asia were to exit the B2B investments made to date to focus on its toy trading and property operations.

### **OFFERORS' INTENTION IN RELATION TO ICG ASIA**

#### **Intention regarding ICG Asia's business**

It is the intention of the Offerors that ICG Asia, if the Offers are completed, will continue the existing business of manufacturing and trading of toys, and property investments.

Following completion of the Offers, the then directors of ICG Asia will conduct a review of the financial position and operations of the Group with a view to determining the ICG Asia Group's strategy towards the Internet B2B investments.

Pursuant to the Agreement, the Offerors have undertaken to the Vendors to take such steps as may be necessary to procure that ICG Asia Group's removes any reference to the name "ICG" and the "ICG" logo as mentioned in the paragraph headed "Offerors' Undertaking" above.

#### **Compulsory Acquisition and Withdrawal of the Listing**

To the extent applicable and pursuant to the compulsory acquisition power under the Companies Act, if the Offerors acquire not less than 90 per cent of ICG Asia Shares in respect of which the Share Offer is made, the Offerors may consider the exercise of their rights under the provisions of Section 102 or 103 of the Companies Act to acquire compulsorily those ICG Asia Shares not acquired by the Offerors pursuant to the Share Offer, and then proceed to withdraw the listing of ICG Asia Shares from the Stock Exchange. Alternatively, if the Offerors acquire not less than 95 per cent of ICG Asia Shares, whether pursuant to the Share Offer or otherwise, the Offerors may consider the exercise of their rights under the provisions of Section 103 of the Companies Act to acquire compulsorily all those ICG Asia Shares not held at that time by the Offerors, and then proceed to withdraw the listing of ICG Asia Shares from the Stock Exchange. Pursuant to the Takeovers Code, the Offers may not remain open for more than four months from the date of

## PROMISING LAND INTERNATIONAL INC.

posting the Offer Document, unless the Offerors have by that time become entitled to exercise such powers of compulsory acquisition.

### **Ownership of ICG Asia**

If the Offers become unconditional in all respects and, as a result, the Offerors acquire over 50 per cent of the entire issued share capital of ICG Asia, ICG Asia will become a subsidiary of HWL.

## **DIRECTORS AND MANAGEMENT**

After the posting of the Offer Document, all of the Vendors' Directors are expected to resign as directors of the relevant Group Companies (other than ICG Asia) with effect from the Unconditional Date. If consent of the Executive is obtained, the Vendors' Directors are also expected to resign from ICG Asia with effect from the Unconditional Date. The Offerors will procure the appointment of executive directors to the board of directors of ICG Asia with effect from the Unconditional Date, with the intention of taking control of the board of directors of ICG Asia. Further details will be set out in the Offer Document.

## **CONDITIONS OF THE OFFERS**

The Share Offer will be conditional upon the following:

- (a) the ICG Asia Shares remaining listed and traded on the Stock Exchange from the date of this Announcement to the Closing Date (or, if earlier, the Unconditional Date) save for any suspension of trading of the ICG Asia Shares not exceeding seven days or any suspension of trading of the ICG Asia Shares in connection with, or due to insufficient public float as a result of, the Offers; and no statement being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the ICG Asia Shares on the Stock Exchange will or is likely to be withdrawn save for any withdrawal due to insufficient public float as a result of the Offers;
- (b) no relevant government, governmental, statutory or regulatory body, court or agency having taken or instituted any action or proceedings, or enacted or made and there not continuing to be outstanding any statute, regulation or order that would or is likely to make the Offers or any part of them or the acquisition of any of ICG Asia Shares and/or Warrants by the Offerors void, unenforceable or illegal or restrict or prohibit the implementation of, or impose any additional material conditions or material obligations

## PROMISING LAND INTERNATIONAL INC.

with respect to, the Offers or any part of them or the acquisition of any of ICG Asia Shares and/or Warrants or control of ICG Asia or any other Group Company by the Offerors;

- (c) valid acceptances of the Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or before the Closing Date (or such later time(s) and/or date(s) as the Offerors and the Vendors may agree in writing and the Executive may approve) in respect of ICG Asia Shares, which together with ICG Asia Shares held by the Offerors and persons acting in concert with them constitute more than 50.0 per cent (or such lesser percentage as the Offerors may decide) of the entire issued share capital of ICG Asia as at the Unconditional Date, carrying more than 50.0 per cent of the voting rights normally exercisable at general meetings of ICG Asia and for the purposes of this condition, “voting rights normally exercisable at general meetings of ICG Asia” means the voting rights attributable to ICG Asia Shares in issue on the Unconditional Date or to be issued pursuant to Warrants which have been validly exercised by registered Warrant holders prior to the Unconditional Date;
- (d) valid acceptance of the Warrant Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or before the Closing Date (or such later time(s) and/or date(s) as the Offerors and the Vendors may agree in writing and the Executive may approve) in respect of the Subject Warrant;
- (e) the Vendors’ Warranties remaining true and accurate in all material respects when given or repeated; and
- (f) there being no Material Adverse Change at the time from the date of the Agreement to the Unconditional Date and for the purpose of this condition, “Material Adverse Change” means any change or effect, the consequence of which is to materially and adversely affect the financial position, business or property, results of operations or assets of ICG Asia Group as a whole.

In addition to the Conditions, the Share Offer shall also be subject to the term that acceptance of the Share Offer by any person will be deemed to constitute a warranty by such person or persons to the Offerors that ICG Asia Shares acquired under the Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities and encumbrances and together with all rights attaching thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including (as appropriate) the right to receive all dividends and distributions declared, made or paid on or after the date on which the Share Offer is made.

## PROMISING LAND INTERNATIONAL INC.

In respect of the Subject Shares, PLI shall acquire 2,082,300,133 ICG Asia Shares and RIL shall acquire 936,356,392 ICG Asia Shares.

In respect of ICG Asia Shares (other than the Subject Shares) accepted under the Share Offer, PLI and RIL shall acquire such ICG Asia Shares in the proportion of 2:1 provided that RIL will only acquire up to 1,000,000,000 ICG Asia Shares (including the 936,356,392 Subject Shares mentioned above) and PLI will acquire the balance of the Share Offer.

The Warrant Offer will also be subject to the following conditions:

- (a) the Warrant Offer will be subject to and conditional upon the Share Offer becoming unconditional in all respects (this condition cannot be waived); and
- (b) acceptance of the Warrant Offer by any person will be deemed to constitute a warranty by such person or persons to the Offerors that the Warrants acquired under the Warrant Offer are sold by such person or persons free from all third party rights, liens, charges, equities and encumbrances and together with all rights and conditions attaching thereto as at the date on which the Warrant Offer is made or subsequently becoming attaching to them.

In respect of the Subject Warrant, PLI shall acquire such part of it conferring the right to subscribe for up to 535,000,000 ICG Asia Shares and RIL shall acquire the balance thereof conferring the right to subscribe for up to 268,000,000 ICG Asia Shares.

In respect of Warrants (other than the Subject Warrant) accepted under the Warrant Offer, PLI and RIL shall acquire such Warrants in the proportion of 2:1.

### **Waiver of the Conditions of the Offers**

The Offerors reserve the right to waive all or any of the Conditions in whole or in part except for the condition (a) mentioned above in relation to the Warrant Offer.

### **Offer Document**

Within 21 days after the release of this Announcement (or such later date as the Vendors and the Offerors, with the consent of the Executive, may agree in writing), the Offerors will cause the Offer Document containing the Offers to be despatched to ICG Asia Shareholders and holders of the Warrants. The Agreement provides that, the Offerors will use all reasonable endeavours to, and the Vendors will use all reasonable endeavours to procure ICG Asia to, combine the Offer

## PROMISING LAND INTERNATIONAL INC.

Document with ICG Asia's board circular so that a composite document can be posted within 21 days of the date of this Announcement (as envisaged by Rule 8.2 of the Takeovers Code).

### **Lapse of the Offers**

The Offers will lapse if:

- (a) the Conditions are not satisfied (or, if applicable, waived by the Offerors at their sole discretion) on or before the Closing Date or such later date as the parties to the Agreement may agree and, if required by the Takeovers Code, the Executive may approve; or
- (b) the Agreement is terminated by any party on the ground that any of the parties thereto shall fail to perform in any material respect its obligations under the Agreement or breach the Agreement in any material respect and the non-defaulting party exercises its right to terminate the Agreement.

In that case, the Offerors will issue a press announcement as soon as practicable thereafter. Under the Takeovers Code, the latest date on which the Offerors can declare the Offers unconditional is 60 days after the date of the posting of the Offer Document (or such later date as the Executive may consent to).

## **SUSPENSION AND RESUMPTION OF TRADING IN ICG ASIA ORDINARY SHARES**

Trading in ICG Asia Shares was suspended at the request of ICG Asia with effect from 2:30 p.m. on 11th June, 2001 pending the outcome of the negotiation of the Agreement and the issue of this Announcement. Application has been made by ICG Asia to the Stock Exchange for the resumption of trading in ICG Asia Shares with effect from 10:00 a.m. on 21st June, 2001.

## **GENERAL MATTERS RELATING TO THE OFFERS**

### **Availability of the Offers**

The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

### **Undertakings to Accept and Further Announcement**

## PROMISING LAND INTERNATIONAL INC.

Pursuant to the Agreement and subject to the terms and conditions therein, (1) each Vendor has irrevocably and unconditionally undertaken to the Offerors that it will accept the Share Offer at 2:30 p.m. (Hong Kong time) (or such other time as the parties may agree) on the second business day after the Offer Document is posted in respect of the Subject Shares, and (2) ICG has irrevocably and unconditionally undertaken that it will accept the Warrant Offer at 2:30 p.m. (Hong Kong time) (or such other time as the parties may agree) on the second business day after the Offer Document is posted in respect of the Subject Warrant. Following receipt of such acceptances, the Offerors will declare the Offers unconditional in all respects. The Offerors will issue a press announcement at such time.

### **Independent Advice to ICG Asia**

An independent committee of the board of Directors will be appointed to consider the Offers and report to the ICG Asia Shareholders, other than the Vendors and their respective associates, on the Offers. An independent financial adviser will be appointed to advise the independent committee regarding the Offers.

Salomon Smith Barney has been appointed to advise the Offerors in connection with the Offers.

### **Continuation of listing of ICG Asia**

If the Offerors do not exercise their rights under the provisions of Section 102 or 103 of the Companies Act to acquire compulsorily those ICG Asia Shares not acquired by the Offerors pursuant to the Share Offer, it is the intention of the Offerors that the listing of ICG Asia Shares on the Stock Exchange should be maintained and appropriate steps will be taken by the Offerors as soon as possible following the closing of the Offers to ensure that not less than 25 per cent of ICG Asia Shares will be held in public hands.

**The Stock Exchange stated that it will closely monitor trading in the Shares if, upon the closing of the Offers, less than 25 per cent of the issued share capital of ICG Asia is held in public hands. If the Stock Exchange believes that a false market exists or may exist in ICG Asia Shares or there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in ICG Asia Shares.**

**The Stock Exchange has also stated that it will closely monitor all future acquisitions or disposals of assets by ICG Asia. If ICG Asia Shares remain listed on the Stock Exchange, any acquisition or disposal of assets by the ICG Asia Group will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require ICG Asia to issue a circular to ICG Asia Shareholders where an**

## PROMISING LAND INTERNATIONAL INC.

**acquisition or disposal by ICG Asia Group is proposed, irrespective of the size of the proposed acquisitions and disposals of assets by the ICG Asia Group, particularly where such proposed acquisitions and disposals of assets by the ICG Asia Group represent a departure from the principal activities of the ICG Asia Group. The Stock Exchange has the power to aggregate a series of acquisitions and disposals of assets by the ICG Asia Group and any such acquisitions and disposals of assets may result in ICG Asia being treated as if it were a new listing applicant and subject to the requirements for new listing application as set out in the Listing Rules (including payment of a new listing fee and the execution of a new Listing Agreement).**

## DEFINITIONS

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

“AECL” means Asia Employment Company Limited, a company incorporated in the Cayman Islands with limited liability;

“Agreement” means the agreement in respect of ICG Asia entered into between the Offerors, the Vendors and ICGI on 20th June, 2001 in connection with the Offers;

“associates” shall have the meaning ascribed to it in the Listing Rules;

“Closing Date” means the date stated in the Offer Document as the closing date of the Offers being 21 days after the date on which the Offer Document is posted (if the Offer Document is a composite document) or 28 days after the date on which the Offer Document is posted (if the Offer Document is not a composite document);

“Companies Act” means the Bermuda Companies Act 1981 of Bermuda (as amended);

“Companies Ordinance” means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);

“Conditions” mean the conditions of the Offers, as set out in the Agreement;

“Director(s)” mean(s) director(s) of ICG Asia from time to time;

“Executive” means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;

## PROMISING LAND INTERNATIONAL INC.

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“HWL” means Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;

“ICG” means 1999 Internet Capital L.P., a limited partnership established under the laws of the State of Delaware in the U.S., and under the control of ICGI;

“ICG Asia” means ICG Asia Limited, a company incorporated in Bermuda (formerly known as both ICG AsiaWorks Limited and Harbour Ring International Holdings Limited), the shares of which are listed on the Stock Exchange;

“ICG Asia Group” means ICG Asia and its subsidiaries excluding those subsidiaries and divisions engaged in the Toy and Property Operations but including ICG Japan, K.K. (formerly known as ICG B2B Exchanges, K.K.) and the expression “Group Company” means any of them (after such exclusions and inclusion);

“ICG Asia Shareholder(s)” means registered holder(s) for the time being of ICG Asia Shares;

“ICG Asia Share(s)” means ordinary share(s) of HK\$0.10 each in the issued share capital of ICG Asia;

“ICGI” means Internet Capital Group, Inc., a company incorporated under the laws of the State of Delaware in the U.S. with limited liability;

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange;

“Offer Document” means the document to be issued by or on behalf of the Offerors to all holders of ICG Asia Shares and the Warrants in accordance with the Takeovers Code containing, inter alia, details of the Offers, the acceptance and transfer forms, and the terms and conditions of the Offers or, where applicable, the composite document to be issued by or on behalf of the Offerors and the Company;

“Offers” mean the Share Offer and the Warrant Offer;



## PROMISING LAND INTERNATIONAL INC.

“Offerors” mean PLI and RIL, each of them referred to as “Offeror”;

“PLI” means Promising Land International Inc., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of HWL;

“Property Operation” means the business of property development in Hong Kong and the People’s Republic of China undertaken by ICG Asia and its subsidiaries, the assets utilised and the liabilities incurred by ICG Asia and its subsidiaries in connection therewith and the beneficial ownership of all shares or equity interests held by ICG Asia in Harbour Ring Property Holdings Limited and such subsidiaries of ICG Asia as are engaged in such business;

“RIL” means Reading Investments Limited, a company incorporated in the British Virgin Islands with limited liability and which is ultimately controlled by Dr. Luk Chung Lam;

“Salomon Smith Barney” means Salomon Smith Barney Hong Kong Limited, a company incorporated in Hong Kong with limited liability;

“SFC” means Securities and Futures Commission of Hong Kong;

“Share Offer” means the voluntary conditional cash offer at the Share Offer Price for ICG Asia Shares (other than those already owned by the Offerors or parties acting in concert with them);

“Share Offer Price” means the amount of HK\$0.25 payable by the Offerors to holders of ICG Asia Shares for each Share accepted under the Share Offer;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Subject Shares” mean 3,018,656,525 ICG Asia Shares representing approximately 53.8 per cent of the entire issued share capital of ICG Asia as at the date of the Agreement and which are and will upon acceptance of the Share Offer by the Vendors be beneficially owned by the Vendors (2,680,556,525 ICG Asia Shares of which are owned by ICG and 338,100,000 ICG Asia Shares of which are owned by AECL);

“Subject Warrant” means the Warrant issued to ICG conferring on it the right to subscribe for up to 803,000,000 new ICG Asia Shares in aggregate which is as at the date of the Agreement and will upon acceptance of the Warrant Offer by ICG be beneficially owned by ICG;

“subsidiaries” shall have the same meaning ascribed to it in Section 2 of the Companies Ordinance ;

## PROMISING LAND INTERNATIONAL INC.

“Takeovers Code” means The Code on Takeovers and Mergers;

“Toy and Property Operations” mean the Toy Operation and the Property Operation;

“Toy Operation” means the entire business of manufacturing and trading of toys and accessories undertaken by ICG Asia and its subsidiaries, the assets utilised and the liabilities incurred by ICG Asia and its subsidiaries in connection therewith and the beneficial ownership of all shares or equity interests held by ICG Asia in Harbour Ring Toys Group Ltd. and such subsidiaries of ICG Asia as are engaged in such business;

“Unconditional Date” means the date on which the Offers become or are declared unconditional;

“U.S.” means the United States of America;

“US\$” means United States dollars, the lawful currency of the U.S.;

“Vendors” mean ICG and AECL, each of them referred to as “Vendor”;

“Vendors’ Directors” mean Kenneth A. Fox, Bruce Armstrong, Sam Jadallah, Henry Nassau and Joseph Kim, all of whom are Directors as at the date of this Announcement, and any other Directors appointed by the Vendors;

“Vendors’ Warranties” mean certain warranties and representations given by the Vendors in the Agreement; and

“Warrant(s)” means the (three) warrant(s) issued by ICG Asia on 4th May, 2000 conferring on the holder(s) thereof the right to subscribe for up to 1,095,000,000 new ICG Asia Shares in aggregate during the period of three years after the date of issue at an initial subscription price of HK\$0.39 per ICG Asia Share (subject to adjustments). The Warrants are not listed on any exchanges;

“Warrant Offer” means the voluntary conditional cash offer at HK\$1.00 each for the Warrants (other than that already owned by PLI or parties acting in concert with it); and

“Warrant Offer Price” means the amount of the HK\$1.00 payable by the Offerors to holders of Warrants for each Warrant accepted under the Warrant Offer.

By Order of the Board

**PROMISING LAND INTERNATIONAL INC.**  
PROMISING LAND INTERNATIONAL INC.  
20/06/2001

By Order of the Board

**READING INVESTMENTS LIMITED**

PROMISING LAND INTERNATIONAL INC.

**Dominic Lai**  
*Executive Director*

**Luk Tei, Lewis**  
*Director*

Hong Kong, 20th June, 2001

*The directors of Promising Land International Inc. 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, their 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 of their statements in this announcement misleading.*

*The directors of Reading Investments Limited 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, their 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 of their statements in this announcement misleading.*

Please also refer to the published version of this announcement in the i Mail dated 21/6/2001.