



WINTON HOLDINGS (BERMUDA) LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

PROPOSED PRIVATISATION OF WINTON HOLDINGS (BERMUDA) LIMITED BY WAY OF A SCHEME OF ARRANGEMENT AND WITHDRAWAL OF LISTING

The Board announces that the Company puts forward a proposal to the Scheme Shareholders regarding the privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act. The Company proposes that all Scheme Shares will be cancelled in exchange for HK\$0.65 in cash for each Scheme Share. As at the date of this announcement, the Scheme Shareholders are interested in 153,492,475 Shares, representing approximately 32.8 per cent. of the issued ordinary share capital of the Company.

The Board also announces that the Company will exercise its right given under the Bye-laws to redeem on a voluntary basis the whole of the Convertible Preference Shares (other than those owned by JCG) which will remain outstanding as at 31st December, 2002 at a redemption price for each Convertible Preference Share which shall be the higher of (i) HK\$0.33; or (ii) an amount calculated by reference to 90 per cent. of the average closing price per Share over 10 consecutive trading days immediately prior to the date of the redemption notice. All the Convertible Preference Shares so redeemed will be cancelled. As at the date of this announcement, 5,282,479 Convertible Preference Shares are held by the holders of the Convertible Preference Shares, other than JCG. Holders of the Convertible Preference Shares may convert their Convertible Preference Shares into Shares before being served with the notice for the Redemption by the Company and if they do so, they will be entitled to participate in the Scheme.

Based on the number of Shares and the number of Convertible Preference Shares (other than those held by JCG) in issue as at the date of this announcement, the maximum amount of cash required to effect the Proposal will be approximately HK\$103.2 million assuming that the conversion rights attached to all the 5,282,479 Convertible Preference Shares (which are held by holders of the Convertible Preference Shares other than JCG) will be fully exercised. Funding to effect the Proposal and the Redemption is to be made out of the internal resources of the Company.

Upon the Scheme becoming effective, the listing of the Shares on the Stock Exchange will be withdrawn and the Company will become a wholly-owned subsidiary of JCG. The Proposal is conditional upon the fulfilment or waiver, as applicable, of the conditions including the approvals by the Scheme Shareholders at the Court Meeting and by the Shareholders at the Special General Meeting as described in the section headed "Conditions of the Proposal" below.

A scheme document containing, among other matters, further details of the Proposal, the expected timetable, an explanatory statement required under the Companies Act, the recommendation of the Independent Board Committee in relation to the Proposal, a letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the Special General Meeting will be despatched to the Shareholders as soon as practicable. The scheme document will also be sent to the holders of the Convertible Preference Shares for information purpose solely. Notice for the Redemption will be sent to the relevant holders of the Convertible Preference Shares by the Company as soon as practicable but, in any event, not later than 30th December, 2002.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 10:00 a.m. (Hong Kong time) on 27th November, 2002, pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. (Hong Kong time) on 4th December, 2002.

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions as set out in the section headed "Conditions of the Proposal" below being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. They are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that the Company puts forward a proposal to the Scheme Shareholders regarding the privatisation of the Company by way of the Scheme. The Board also announces that the Company will exercise its right given under the Bye-laws to redeem on a voluntary basis the whole of the Convertible Preference Shares (other than those owned by JCG) which will remain outstanding as at 31st December, 2002 at a redemption price for each Convertible Preference Share which shall be the higher of (i) HK\$0.33; or (ii) an amount calculated by reference to 90 per cent. of the average closing price per Share over 10 consecutive trading days immediately prior to the date of the redemption notice. The Redemption will be made to all holders of the Convertible Preference Shares, other than JCG. All the Convertible Preference Shares so redeemed will be cancelled.

THE PROPOSAL

The Proposal made by the Company is to privatise the Company by way of the Scheme. The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Price, being HK\$0.65, in cash from the Company for every Scheme Share held.

The Price represents:

- a premium of approximately 44.4 per cent. over the closing price of HK\$0.450 per Share as quoted on the Stock Exchange on 26th November, 2002 (being the last trading day prior to the suspension of trading in the Shares pending the issue of this announcement);
- a premium of approximately 41.3 per cent. over the average closing price of approximately HK\$0.460 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including 26th November, 2002;
- a premium of approximately 42.2 per cent. over the average closing price of approximately HK\$0.457 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 26th November, 2002;
- a premium of approximately 42.9 per cent. over the average closing price of approximately HK\$0.455 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including 26th November, 2002;
- a premium of approximately 46.7 per cent. over the average closing price of approximately HK\$0.443 per Share based on the daily closing prices as quoted on the Stock Exchange over the 90 trading days up to and including 26th November, 2002;
- a premium of approximately 31.0 per cent. over the average closing price of approximately HK\$0.496 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including 26th November, 2002;
- a discount of approximately 62.9 per cent. to the audited consolidated net tangible asset value per Share of approximately HK\$1.753 as at 31st December, 2001 (excluding the total issued Convertible Preference Share capital of approximately HK\$304.9 million as at 31st December, 2001);
- a discount of approximately 58.7 per cent. to the unaudited consolidated net tangible asset value per Share of approximately HK\$1.574 as at 30th June, 2002 (excluding the total issued Convertible Preference Share capital of approximately HK\$289.2 million as at 30th June, 2002); and
- a discount of approximately 15.6 per cent. to the adjusted consolidated net tangible asset value per Share of approximately HK\$0.77 as at 31st December, 2001 (assuming full conversion of the outstanding Convertible Preference Shares in issue as at the date of this announcement).

In determining the Price, the Directors have taken into account factors such as the trading liquidity and average market prices of the Shares, as well as the factors further discussed in the section headed "Reasons for and benefits of the Proposal" below.

As at the date of this announcement, there are 468,492,400 Shares in issue of which the Scheme Shareholders are interested in 153,492,475 Shares, representing approximately 32.8 per cent. of the issued ordinary share capital of the Company. At the Price, the Proposal values the issued ordinary share capital of the Company at approximately HK\$304.5 million assuming that there is no conversion of the Convertible Preference Shares. Based on the number of Shares and the number of Convertible Preference Shares (other than those held by JCG) in issue as at the date of this announcement, the maximum amount of cash required to effect the Proposal will be approximately HK\$103.2 million assuming that the conversion rights attached to 5,282,479 Convertible Preference Shares, other than those held by JCG, will be fully exercised. Details of the Redemption are set out

in the section headed "The Redemption" below. Funding to effect the Proposal and the Redemption is to be made out of the internal resources of the Company. Relevant amounts of fixed deposits of the Company have been set aside for the Proposal and the Redemption. Asia Investment Capital Limited, the financial adviser to the Company in connection with the Proposal, is satisfied that sufficient financial resources are available to the Company for the implementation of the Proposal.

CONDITIONS OF THE PROPOSAL

The Scheme will become effective and binding on the Company and all Shareholders subject to the fulfilment or waiver (as applicable) of the following conditions:

- the approval of the Scheme by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - the Scheme is approved by Independent Shareholders holding at least 75 per cent. in value of those Shares that are voted either in person or by proxy at the Court Meeting; and
 - the Scheme is not disapproved by Independent Shareholders at the Court Meeting holding more than 10 per cent. in value of all the Shares held by the Independent Shareholders;
- the passing by the Shareholders of a special resolution to approve and give effect to the Scheme (including the cancellation of the Scheme Shares and the reduction of the ordinary share capital of the Company) at the Special General Meeting;
- the sanction of the Scheme (with or without modifications) by the Supreme Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court for registration;
- the necessary compliance with the procedural requirements of Section 46 of the Companies Act in relation to the reduction of the issued share capital of the Company;
- all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Bermuda and/or Hong Kong and/or any other relevant jurisdictions;
- all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and
- all necessary consents which may be required under any existing contractual obligations of the Company being obtained.

The Company reserves the right to waive condition (g) either in whole or in part in respect of any particular matter.

THE REDEMPTION

As at the date of this announcement, the Company has 875,507,600 Convertible Preference Shares outstanding. Currently, the Convertible Preference Shares are convertible into Shares at the sole option of the holders for the period up to the fifth anniversary from the date of their issue, which is 3rd March, 2005. Under the Bye-laws, the Company has the right to redeem at any time all or part of the Convertible Preference Shares by giving a redemption notice specifying the number of the Convertible Preference Shares to be redeemed and the date of such redemption to the holders of the Convertible Preference Shares at a redemption price for each Convertible Preference Share which shall be the higher of (i) HK\$0.33; or (ii) an amount calculated by reference to 90 per cent. of the average closing price per Share over 10 consecutive trading days immediately prior to the date of the redemption notice. As at the date of this announcement, 5,282,479 Convertible Preference Shares are held by persons other than JCG. The Board announces that the Company intends to redeem all the Convertible Preference Shares outstanding (other than those held by JCG) on 31st December, 2002 in accordance with the relevant terms set out in the Bye-laws. Notice for the Redemption will be sent to the relevant holders of the Convertible Preference Shares by the Company as soon as practicable, but in any event not later than 30th December, 2002. Holders of the Convertible Preference Shares should note that upon receipt or deemed receipt of the notice for the Redemption, they may not exercise the conversion rights attached to the Convertible Preference Shares and are obliged to surrender to the Company the relevant certificates for the Convertible Preference Shares. All the Convertible Preference Shares so redeemed will be cancelled.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 468,492,400 Shares and 875,507,600 Convertible Preference Shares in issue. JCG is beneficially interested in 314,999,925 Shares, representing approximately 67.2 per cent. of the issued ordinary share capital of the Company, and 870,225,121 Convertible Preference Shares, representing approximately 99.4 per cent. of the Convertible Preference Shares of the Company in issue. Holders of the Convertible Preference Shares, other than JCG, who are interested in an aggregate of 5,282,479 Convertible Preference Shares as at the date of this announcement, may exercise their right to convert their Convertible Preference Shares into Shares in accordance with the relevant terms set out in the Bye-laws before the Company's issue of the notice for the Redemption and become the Scheme Shareholders with the entitlement to participate in the Scheme. On 31st December, 2002, the Company will exercise its right given under the Bye-laws to redeem the outstanding Convertible Preference Shares other than those held by JCG. The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately following the implementation of the Proposal:

Shareholders	As at the date of this announcement		Immediately following the implementation of the Proposal and the Redemption	
	Number	%	Number	%
<i>Shares</i>				
JCG	314,999,925	67.2	314,999,925	100.0
Scheme Shareholders	153,492,475	32.8	0	0.0
Total	468,492,400	100.0	314,999,925	100.0
<i>Convertible Preference Shares</i>				
JCG	870,225,121	99.4	870,225,121	100.0
Other holders	5,282,479	0.6	0	0.0
Total	875,507,600	100.0	870,225,121	100.0

Up to the date of this announcement, no options have been granted by the Company pursuant to its share option scheme adopted on 28th February, 2002.

Save as aforesaid, there are no other outstanding options, warrants or convertible securities of the Company as at the date of this announcement.

Upon the Scheme becoming effective and the withdrawal of listing of the Shares on the Stock Exchange, the Company will become a wholly-owned subsidiary of JCG.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Under unfavourable market sentiment, the average trading volume of the Shares has been low in recent years. The average daily trading volume of the Shares in the past 30 and 90 trading days up to, and including, 26th November, 2002 have been less than 130,000 Shares and 280,000 Shares respectively. During the same period, the Shares have been consistently traded at prices which the Directors believe do not reflect the intrinsic value of the Company.

The Directors believe that the Proposal represents a good opportunity for minority Shareholders to realise their investment at a cash price substantially above the levels at which the Shares have consistently been traded for the past five months. The Directors also believe that the Price is also significantly in excess of any price they might obtain from open market sale under the current market conditions.

From mid-1998 to early 2000, taxi licence prices had been relatively weak and the taxi financing business of the Group experienced unprecedentedly high level of defaults. Under such circumstances, the Group undertook a restructuring of a major portion of its outstanding taxi loan portfolio by way of extending and rescheduling the repayment terms of its taxi loan receivables. Given the relatively low volume of business activities in the recent taxi licence market, the Directors do not expect that there would be needs for a high level of funding to expand the Group's core business. Furthermore, the Directors do not foresee any new investment opportunities at this stage. On such basis, and given the existing level of the Group's cash resources, the Directors consider that it would be feasible and practical to release the Group's cash resources back to the Scheme Shareholders by way of the Proposal.

Since JCG already owns approximately 67.2 per cent. of the issued ordinary share capital of the Company as at the date of this announcement, the Directors believe that it is unlikely that the minority Shareholders will receive any other offer to acquire the Shares from a third party without the consent of JCG. In addition, Shareholders should note that no discussions have taken place (or are taking place) with any third party regarding the disposal of any of the Shares held by JCG.

INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange. Its subsidiaries are principally engaged in the provision of finance to purchasers of taxis, the provision of personal and short-term loans, the trading of taxi cabs and taxi licences, and the leasing of taxis. A summary of the audited consolidated results of the Company for each of the two years ended 31st December, 2001 and the unaudited consolidated results of the Company for the six months ended 30th June, 2002 are set out below:

	(Audited)	(Audited)	(Unaudited)
	For the year ended 31st December, 2000 <i>in HK\$ million</i>	For the year ended 31st December, 2001 <i>in HK\$ million</i>	For the six months ended 30th June, 2002 <i>in HK\$ million</i>
Turnover	125.7	167.6	84.6
Profit from ordinary activities before taxation	5.6	73.8	21.3
Profit after taxation	5.1	73.0	21.3
Profit attributable to Shareholders	4.9	73.0	21.3

The audited consolidated net tangible assets of the Company were approximately HK\$985.2 million as at 31st December, 2000 and approximately HK\$1,041.4 million as at 31st December, 2001.

Based on the Company's interim report for the six months ended 30th June, 2002, the Company recorded an unaudited consolidated net profit of approximately HK\$21.3 million for the six months ended 30th June, 2002, representing a decline of approximately 36.8 per cent. from the same period last year and an unaudited consolidated net tangible assets of approximately HK\$1,025.5 million as at 30th June, 2002.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange pursuant to Rule 6.12 of the Listing Rules for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme. The Scheme Shareholders will be notified by way of a press announcement of the exact dates on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in a scheme document, which will also contain, inter alia, further details of the Proposal.

OVERSEAS SHAREHOLDERS

The making of the Proposal to Shareholders not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders should inform themselves about and observe any applicable legal and regulatory requirements. It is the responsibility of any overseas Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

GENERAL

None of JCG or parties acting in concert with it has dealt in any Shares during the six months immediately preceding the date of this announcement nor have they converted any of the Convertible Preference Shares held by them during the period.

As at the date of this announcement, JCG is beneficially interested in 314,999,925 Shares, representing approximately 67.2 per cent. of the issued ordinary share capital of the Company. Shares held by JCG will not form part of the Scheme Shares. Accordingly, JCG and its Associates and parties acting in concert with them will abstain from voting at the Court Meeting.

JCG has indicated that if the Scheme is approved at the Court Meeting, it and its Associates will vote in favour of the special resolution to be proposed at the Special General Meeting to approve and give effect to the Scheme.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the Proposal. An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Proposal.

A scheme document containing, among other matters, further details of the Proposal, the expected timetable, an explanatory statement as required under the Companies Act, information regarding the Company, the recommendation of the Independent Board Committee with respect to the Proposal, a letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the Special General Meeting will be despatched to the Shareholders as soon as practicable. The scheme document will also be sent to the holders of the Convertible Preference Shares for information purpose solely. Notice for the Redemption will be sent to the relevant holders of the Convertible Preference Shares by the Company as soon as practicable but in any event not later than 30th December, 2002.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:00 a.m. (Hong Kong time) on 27th November, 2002, pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. (Hong Kong time) on 4th December, 2002.

Warning:

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions as set out above being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. They are advised to exercise caution when dealing in the Shares.

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
“Authorisations”	all the necessary authorisations, registrations, filings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Winton Holdings (Bermuda) Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Stock Exchange and which are owned as to approximately 67.2 per cent. of its issued ordinary share capital by JCG as at the date of this announcement
“Convertible Preference Share(s)”	the unlisted 5.5 per cent. convertible cumulative redeemable preference share(s) of HK\$0.10 each, which were issued on 3rd March, 2000 under the Bye-laws at an initial conversion price of HK\$0.33 (subject to adjustment)
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Supreme Court at which the Scheme will be voted upon
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People's Republic of China
“Independent Board Committee”	the independent board committee of the Company to be established for the purpose of advising the Independent Shareholders in relation to the Proposal
“Independent Shareholders”	Shareholders other than JCG and parties acting in concert with it, together with their Associates
“JCG”	JCG Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Price”	a price of HK\$0.65 per Scheme Share payable in cash to the Scheme Shareholders under the Scheme
“Proposal”	the proposal for the privatisation of the Company by way of the Scheme
“Redemption”	the redemption of the outstanding Convertible Preference Shares, other than those held by JCG, by the Company under the Bye-laws not later than 31st December, 2002
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders
“Scheme Shareholder(s)”	Shareholder(s) other than JCG
“Shareholders”	registered holders of the Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Special General Meeting”	the special general meeting of the Company to be held to consider and approve, among other matters, the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supreme Court”	Supreme Court of Bermuda
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By Order of the Board of
Winton Holdings (Bermuda) Limited
Tan Yoke Kong
Director

Hong Kong, 3rd December, 2002

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