



WINTON HOLDINGS (BERMUDA) LIMITED

(incorporated in Bermuda with limited liability)

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

The Scheme Document was despatched to Shareholders on 13th January, 2003.

The Scheme Document contains additional information in relation to the Company, some of which are set out in this announcement.

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

Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, as applicable, and therefore may or may not become effective. Provided that all the conditions to the Proposal are fulfilled or waived, as applicable, the Scheme is expected to become effective on 26th March, 2003. Details of such conditions are set out in the Scheme Document.

INTRODUCTION

Reference is made to the announcements by Winton Holdings (Bermuda) Limited (the "Company") dated 3rd December, 2002, 16th December, 2002 and 23rd December, 2002 containing details of the Proposal (the "Announcements"). Terms defined in the Announcements and the Scheme Document shall have the same meanings when used herein unless the context requires or otherwise.

DESPATCH OF THE SCHEME DOCUMENT

A scheme document (the "Scheme Document") in relation to the Proposal containing, inter alia, a letter from the Board, a letter from an independent director (the "Independent Director") containing his advice to the Independent Shareholders, a letter from the independent financial adviser, Access Capital Limited ("Access Capital") containing its advice to the Independent Director, details of the Proposal, the respective notices of the Court Meeting and the Special General Meeting, was despatched to the Shareholders on 13th January, 2003. It was announced on 23rd December, 2002 that the Company exercised its right given under the Bye-laws and served on 21st December, 2002 the notice for the Redemption to the holders of 1,911,651 Convertible Preference Shares (being all the outstanding Convertible Preference Shares other than those owned by JCG) to redeem their Convertible Preference Shares at a redemption price of HK\$0.5715 for each Convertible Preference Share. Supplemental notice containing the revised redemption price of HK\$0.5724 per Convertible Preference Share was delivered to such holders of Convertible Preference Shares after the redemption price of HK\$0.5715 per Convertible Preference Share was found to have been inadvertently miscalculated. All such Convertible Preference Shares were redeemed on 31st December, 2002 and cancelled on the same date.

RECOMMENDATION OF THE INDEPENDENT DIRECTOR

Mr. GEH Cheng Hooi, Paul, an independent non-executive Director, has been appointed as the Independent Director to advise the Independent Shareholders in connection with the Proposal. The Scheme Document contains, among other things, a letter from Access Capital giving its advice and recommendation to the Independent Director on the Proposal.

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

FINANCIAL INFORMATION OF THE GROUP

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

The following is a statement of the unaudited adjusted consolidated net tangible assets of the Group which were computed based on the audited consolidated net tangible assets of the Group as at 31st December, 2001 and adjusted as follows:

	HK\$ '000	Per Share HK\$	Per Share (fully-diluted basis) HK\$
Audited consolidated net tangible assets of the Group as at 31st December, 2001	1,041,369	1.753 (Note 1)	0.77 (Note 2)
Add: Unaudited consolidated profit after taxation and minority interest of the Group for the six months ended 30th June, 2002	21,315		
Less: Final dividend on Shares paid	(29,400)		
Dividend on Convertible Preference Shares paid for the six months ended 30th June, 2002	(7,800)		
	1,025,484		
Redemption cost of 1,911,651 Convertible Preference Shares (Note 5)	(1,094)		
Subsequent dividend on Convertible Preference Shares paid	(8,066)		
Unaudited adjusted consolidated net tangible asset value of the Group	<u>1,016,324</u>	<u>1.545</u> (Note 3)	<u>0.757</u> (Note 4)

Note 1: Based on (i) 420,000,000 Shares in issue as at 31st December, 2001 and (ii) excluding the notional value of approximately HK\$304.9 million attributed to 924,000,000 Convertible Preference Shares in issue as at 31st December, 2001 based on the subscription price of HK\$0.33 per Convertible Preference Share.

Note 2: Based on (i) 420,000,000 Shares in issue as at 31st December, 2001 and (ii) assuming full conversion of the outstanding 924,000,000 Convertible Preference Shares in issue as at 31st December, 2001.

Note 3: Based on (i) 471,863,228 Shares in issue as at the Latest Practicable Date and (ii) excluding the notional value of approximately HK\$287.2 million attributed to 870,225,121 Convertible Preference Shares in issue as at the Latest Practicable Date based on the subscription price of HK\$0.33 per Convertible Preference Share.

Note 4: Based on (i) 471,863,228 Shares in issue as at the Latest Practicable Date and (ii) assuming full conversion of the outstanding 870,225,121 Convertible Preference Shares in issue as at the Latest Practicable Date.

Note 5: In 2002, a total of 51,863,228 Convertible Preference Shares were converted into Shares. This has resulted in the reduction of the total outstanding number of Convertible Preference Shares from 924,000,000 as at 31st December, 2001 to 872,136,772 as at 31st December, 2002, being the date of the Redemption. Out of the outstanding Convertible Preference Shares as at 31st December, 2002, 870,225,121 Convertible Preference Shares were held by JCG and the balance of 1,911,651 Convertible Preference Shares held by holders other than JCG have been redeemed by the Company.

(2) Statement of indebtedness

At the close of business on 30th November, 2002, being the latest practicable date prior to the printing of the Scheme Document for the purpose of this indebtedness statement, the Group has not utilised any credit facilities. The credit facilities were secured by a legal charge over the Group's investment properties situated in Hong Kong with an aggregate carrying value at HK\$23 million and certain land and buildings with an aggregate net book value of approximately HK\$45.7 million and corporate guarantee by the Company.

As at 30th November, 2002, the Group had contingent liabilities in respect of guarantees obligations of approximately HK\$0.8 million given to ultimate holding company and other contingent liabilities and commitments of approximately HK\$2 million.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30th November, 2002 any mortgages, charges, debentures or loan capital issued and outstanding or agreed to be issued, bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, hire purchases or finance lease commitments, guarantees or other material contingent liabilities.

For information purpose only, attention of the Shareholders is further drawn to the section headed "Litigation" in Appendix II to the Scheme Document.

COURT MEETING AND SPECIAL GENERAL MEETING

The Court Meeting and the Special General Meeting will be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting convened at the direction of the Supreme Court shall have been concluded or adjourned) respectively on Thursday, 27th February, 2003 at Jasmine Room, 1st Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong. Notices of the Court Meeting and the Special General Meeting are set out in the Scheme Document.

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

EXPECTED TIMETABLE

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

2003

Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the Special General Meeting	4:00 p.m. on Monday, 24th February
Closure of register of members for the purpose of determining the Shareholders' entitlements to attend and vote at the Court Meeting and the Special General Meeting (both dates inclusive)	from Tuesday, 25th February to Thursday, 27th February
Latest time for lodging forms of proxy in respect of (Note 1):	
Court Meeting	10:00 a.m. on Tuesday, 25th February
Special General Meeting	10:30 a.m. on Tuesday, 25th February
Suspension of dealings in the Shares on the Stock Exchange	9:30 a.m. on Thursday, 27th February
Court Meeting (Note 2)	10:00 a.m. on Thursday, 27th February
Special General Meeting (Note 2)	10:30 a.m. on Thursday, 27th February
Announcement of the results of the Court Meeting and the Special General Meeting in press	Friday, 28th February
Resumption of dealings in the Shares on the Stock Exchange	9:30 a.m. on Friday, 28th February
Supreme Court hearing of the petition to sanction the Scheme (Note 3)	Friday, 14th March
Last day of dealings in the Shares on the Stock Exchange	Tuesday, 18th March
Latest time for lodging transfers of the Shares to qualify for entitlements under the Scheme	4:00 p.m. on Monday, 24th March
Closure of register of members for the purpose of determining entitlements of the Scheme Shareholders to the Cancellation Price	4:00 p.m. on Monday, 24th March
Record Date	Tuesday, 25th March
Effective Date (Notes 3 and 4)	Wednesday, 26th March
Withdrawal of the listing of the Shares on the Stock Exchange (Note 4)	9:30 a.m. on Thursday, 27th March
Announcement of the Effective Date and withdrawal of listing of the Shares on the Stock Exchange in press	Friday, 28th March
Cheques for cash entitlements under the Scheme to be despatched on or before	Friday, 4th April

Notes:

- Forms of proxy should be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than the relevant times and dates stated above. Completion and return of a form of proxy for the Court Meeting or the Special General Meeting will not preclude a Shareholder from attending and voting in person at the relevant meetings. In such event, the returned form of proxy will be deemed to have been revoked.
- The Court Meeting and the Special General Meeting will both be held at Jasmine Room, 1st Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong at the times and dates specified above.
- Unless otherwise stated, all references in this announcement to times and dates are references to Hong Kong times and dates, other than references to the expected date for the Supreme Court hearing of the petition to sanction the Scheme and the Effective Date (see Note 4 below) which are to the relevant dates in Bermuda.
- The Scheme will become effective when it is sanctioned (with or without modification(s)) by the Supreme Court and an official copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place in the morning on Wednesday, 26th March, 2003 (Bermuda time), which is equivalent to the evening on Wednesday, 26th March, 2003 (Hong Kong time). Independent Shareholders should note the conditions of the Proposal as set out in the Scheme Document. It is expected that the listing of the Shares on the Stock Exchange will be withdrawn from 9:30 a.m. on Thursday, 27th March, 2003 (Hong Kong time).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlements to attend and vote at the Court Meeting and the Special General Meeting, the register of members of the Company will be closed from Tuesday, 25th February, 2003 to Thursday, 27th February, 2003 (both dates inclusive) and during such period no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the Special General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 24th February, 2003.

Provided that the Proposal is approved and all the conditions fulfilled or waived, as applicable, the last day for dealing in the Shares on the Stock Exchange will be Tuesday, 18th March, 2003. The register of members of the Company will be closed again from 4:00 p.m. on Monday, 24th March, 2003. In order to qualify for entitlements under the Scheme, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong at its registered address mentioned in the above paragraph by no later than 4:00 p.m. on Monday, 24th March, 2003.

CONDITIONS OF THE PROPOSAL

Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, as applicable, and therefore may or may not become effective. Provided that all the conditions to the Proposal are fulfilled or waived, as applicable, the Scheme is expected to become effective on Wednesday, 26th March, 2003 (both Hong Kong time and Bermuda time). Details of these conditions are set out in the Scheme Document.

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

Hong Kong, 13th January, 2003

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