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**國際融資控股有限公司\***

**International Capital Network Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**advised by**

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED

**THE CONVENING OF AN EXTRAORDINARY GENERAL MEETING  
REQUISITIONED BY CERTAIN SHAREHOLDERS**

Further to the announcement dated 17th April, 2002, the board of International Capital Network Holdings Limited (the “company”) announces that it has convened an extraordinary general meeting to be held at 3:30 p.m. on Monday, 2nd December, 2002 at The Ballroom, Ballroom Level, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong in response to the requisition notice served on the company by two shareholders on 10th April, 2002. At the extraordinary general meeting, resolutions will be proposed to appoint additional directors, to fix the maximum number of directors and to cancel the directors’ mandate to issue shares.

The directors of the company consider that, based on strong circumstantial evidence, there may be a group of people who are acting in concert and have acquired since the company’s listing on 30th November, 2001 sufficient shares to have triggered mandatory takeover offer obligations as required by rule 26 of the Takeovers Code. In addition, there may have been a breach of section 26A of the Securities and Futures Commission Ordinance which prohibits a person from becoming a substantial shareholder of a registered person that is a corporation without the approval of the Securities and Futures Commission. There may also have been a failure to make the disclosures required under the Securities (Disclosure of Interests) Ordinance. The information available presently to the directors may only be disclosed at the conclusion of the investigation referred to below.

In advance of the requisitioned extraordinary general meeting, the company is also taking steps to establish the beneficial ownership of shares in the company and the possible relationship between beneficial shareholders. An investigation has commenced with the serving of notices under section 18 of the Securities (Disclosure of Interests) Ordinance on a number of persons with the objective of establishing the interests they have in the shares in the company. It is hoped that all concerned will cooperate so that this investigation will be completed as soon as practicable. If all the addressees comply with their legal obligations, the initial results of the investigation should be available in the week beginning 29th April, 2002. The time the investigation will take to complete will, however, depend in large measure on the cooperation of the parties on whom section 18 notices have been, or will be, served. It is for this reason that a lengthy notice period for the requisitioned extraordinary general meeting has been fixed.

The directors of the company do not believe that it is in the company's interest that it acquiesces in arrangements which might allow a party to gain control of the board of the company before it has complied fully with the provisions of the Takeovers Code by making a mandatory offer at the highest price it has paid for the shares in the company during the period commencing the date which is six months before the date on which the mandatory offer obligation arose.

Should the investigation being conducted by the company conclude that no takeover offer obligation has arisen and that no breach of section 26A of the Securities and Futures Commission Ordinance or the Securities (Disclosure of Interests) Ordinance has been committed by any party, the directors will themselves convene *forthwith* an extraordinary general meeting at which resolutions will be proposed identical to those contained in the notice of the requisitioned extraordinary general meeting referred to above. As stated in the articles of association of the company, general meetings may be convened on the written requisition of any two or more members of the company deposited at the principal office of the company in Hong Kong provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the company. The directors have been advised by their legal advisers that their actions in convening the extraordinary general meeting are in compliance with Cayman Islands law and the company's articles of association. As the company has convened the extraordinary general meeting on 2nd December, 2002, the requisitionists cannot convene another extraordinary general meeting on the requisition.

It has come to the attention of the directors of the company that section 18 notices which do not include the name of the recipient have been faxed to certain stockbrokers. These notices were not sent by the company. All its section 18 notices have been delivered by hand or registered mail and include the name and address of the person on whom it is served. If recipients are in any doubt, they should consult the company.

A further announcement will be made on the progress of the investigation by the company, when appropriate.

### **The convening of an extraordinary general meeting**

The board of directors of the company announces that it has convened an extraordinary general meeting of shareholders to be held at 3:30 p.m. on Monday, on 2nd December, 2002 at The Ballroom, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong. The extraordinary general meeting has been convened in response to a requisition served on the company by two shareholders, Capital Ace Holdings Limited and Wise Express Assets Limited, which hold respectively 25,138,080 shares and 10,758,720 shares in the company, representing 7.85% and 3.36% of the company's issued share capital respectively. As stated in the articles of association of the company, general meetings may be convened on the written requisition of any two or more members of the company deposited at the principal office of the company in Hong Kong provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the company. At the meeting, resolutions will be proposed to appoint additional directors, to fix the maximum number of directors and to cancel the directors' mandate to issue shares. The directors have been advised by their legal advisers that their actions in convening the extraordinary general meeting are in compliance with Cayman Islands law and the company's articles of association. As the company has convened the extraordinary general meeting on 2nd December, 2002, the requisitionists cannot convene another extraordinary general meeting on the requisition.

### **The identity of the proposed new directors**

The requisitionists have proposed the appointment of seven additional directors, being the following persons who to the best knowledge and belief of the directors are engaged in the following occupations:

- Leung Yuk Kit, who has worked as a personal assistant to Kenneth Cheung Chi Shing, the chairman of Styland Holdings Limited, a company listed on

the main board of the Stock Exchange. Ms. Leung is an initial management shareholder of the company and has stated ownership of Wise Express Assets Limited, a requisitioner.

- Chan Tak Hung, the chairman of Digital World Holdings Limited, a company listed on the main board of the Stock Exchange and the stated holding company of Capital Ace Holdings Limited, a requisitioner.
- Richard Lum Chor Wah, a director of Digital World Holdings Limited.
- Li Wing Kei, the technical director of HLB Hodgson Impey Cheng, Certified Public Accountants Hong Kong and a former director of Gemzboh Holdings Limited, a company listed on the main board of Stock Exchange.
- Li Chak Hung Samuel, a former director of Wah Lee Resources Holdings Limited, a company listed on the main board of Stock Exchange.
- Ng Yuen Fan, a solicitor with Gary Mak, Dennis Wong & Chang; and
- Ho Chi Ho Aaron, an executive director of Luen Fat Securities Co. Ltd., a stockbroking firm.

The company has written to the requisitionists requesting for information on the proposed directors in the form of a questionnaire, the answers to which will be used to assist the company to assess their suitability as directors and to ensure that the laws and regulations to which they are subject are fully complied with. No statement as to the intentions of the proposed directors were they to be elected to the board has been received except four of the seven proposed directors have through their solicitors replied to the effect that they believe the board would be better represented with more people across the spectrum of the investment community which would ensure a better and more accountable management.

## **Investigation**

The directors consider that, based on strong circumstantial evidence, there may be a group of people who are acting in concert and have acquired since the company's listing on 30th November, 2001 sufficient shares to trigger a mandatory takeover offer as required by rule 26 of the Takeovers Code. The price of such offer would be the highest price paid by any member of the concert party during the period commencing the date which is six months before the date on which the offer obligation arose. Since its listing the shares

in the company have traded in the range HK\$1.02 to HK\$0.20. The board does not believe it is in the company's interest that it acquiesces in arrangements which might allow a concert party which has an unfulfilled offer obligation to obtain control of the board of the company. In this regard, the board notes that none of its members who hold an aggregate of 126,256,800 shares, representing 39.46% of the company's issued share capital have been approached to support the appointment of the requisitionists' candidates to the board and presently do not intend to do so.

To this end, the directors have commenced an investigation into the ownership of shares in the company by serving on a number of persons notices under section 18 of the Securities (Disclosure of Interests) Ordinance which requires such persons to provide information on their interests in the company. It is the intention of the directors to complete this investigation as soon as practicable and, if all the addressees comply with their legal obligations, the initial results of the investigation should be available in the week beginning 29th April, 2002. However, it is appreciated that the completion of the investigation is reliant in large measure on the cooperation of the persons to whom the section 18 notices have been, or will be, sent. It is for this reason, the directors have decided to set a long notice period for the requisitioned extraordinary general meeting.

As stated in the announcement dated 10th April, 2002, the directors of the company are currently of the view that the indicated possible voluntary conditional offer by Shares Advantage Limited is not capable of becoming unconditional and the making of such an offer would be pointless.

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### **Other consequences of the possible acquisition of a controlling interest in the company**

International Capital Network Limited, an indirect wholly owned subsidiary of the company, is an investment adviser registered under the Securities Ordinance. Consequently, an acquisition of a substantial shareholding of 35% or more in the company, by a person or his associate, as defined, is subject to the provisions of section 26A of the Securities and

Futures Commission Ordinance. Under this section it is not lawful for a person to become a substantial shareholder of a registered person, directly or indirectly, without the approval of the Securities and Futures Commission. In addition, voting rights for the shares acquired by an unapproved substantial shareholder are not exercisable. The investigation being carried out by the company will seek to establish whether share purchases since its listing have caused any person to become an unapproved substantial shareholder of International Capital Network Limited. It will also assist in establishing whether proper disclosures have been made in compliance with the Securities (Disclosure of Interests) Ordinance.

### **Undertaking to convene an earlier meeting**

If as a result of its investigation, the board concludes that no mandatory offer obligation has arisen on any party and no breach of section 26A of the Securities and Futures Commission Ordinance has been committed by any party, it will convene *forthwith* an extraordinary general meeting at which resolutions will be proposed identical to those contained in the notice of the requisitioned extraordinary general meeting referred to above.

### **Operations of the International Capital Network group**

The directors do not consider that the conduct of the investigation it has commenced will affect materially the operations of the group.

### **Further announcement**

A further announcement will be made on the progress of the investigation by the company, when appropriate.

By order of the board  
**International Capital Network Holdings Limited**  
**Hui Chuen Kin, Daniel**  
*Chairman*

Hong Kong, 29th April, 2002

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcement" page for at least 7 days from the day of its posting.*

\* *For identification purpose only.*

*This announcement, for which the directors of International Capital Network Holdings Limited collectively and individually accept full responsibility, includes particulars given in*

*compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to International Capital Network Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:-*

- *the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- *there are no other matters the omission of which would make any statement in this announcement misleading; and*
- *all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*