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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)

ANNOUNCEMENT

The directors of International Capital Network Holdings Limited (“ICN”) wish to inform shareholders of recent developments on the following issues:

Winding up petition

On 16th August, 2002, ICN has received a copy of a winding-up petition, taken out by International Technology Capital Limited on the “just and equitable” ground. The hearing of the petition is fixed for 6th November, 2002. ICN has been advised by its legal advisers that the petition does not on its face reveal any valid grounds on which the Court might reasonably be expected to order the winding up of ICN. The directors of ICN would like to remind the shareholders of ICN that under the Companies Ordinance any transfer of shares made after the commencement of the winding up, shall, unless the court otherwise orders, be void if a winding up order is granted by the Court.

Court decision

On 3rd September, 2002, the Honourable Chung J. ordered that the injunction order obtained by ICN on 15th May, 2002 to prevent Capital Ace Holdings Limited and Wise Express Assets Limited (together the “requisitionists”) from holding a meeting of ICN be discontinued.

On 6th September, 2002, the Honourable Yuen J.A and Honourable Woo J.A ordered, inter alia, that the appeal by the requisitionists against the decision of Deputy Judge Carlson to discharge the order preventing ICN from issuing shares be dismissed with an order nisi that costs of the appeal be awarded to ICN. The Court of Appeal has also recorded an undertaking given by ICN that it will not issue any shares under the share option scheme until the holding of the extraordinary general meeting on 2nd December, 2002.

Offer

The directors of ICN have been informed by Somerley Limited that it is to make on behalf of Koffman Securities Limited a voluntary conditional offer for all the shares in ICN for a consideration at the election of shareholders of either:

for each share in ICN HK\$0.03 in cash; or
for every eight shares in ICN one share in Kong Sun Holdings Limited.

Nothing in this announcement should be taken as any admission that ICN considers this offer to be bona fide.

Trust arrangement

In connection with a complaint received by the regulatory authorities, ICN would like to give the public details of trust arrangements entered into in December, 2001.

Mr. Hui Chuen Kin, Daniel (“Mr. Hui”) and Mr. Lui Bing Kin, Michael, both being the executive directors of ICN and the directors of ICN Finance Limited (“ICNF”), and the bank signatories of ICNF will be fully responsible to ICN, the regulators and the shareholders of ICN for the deployment of the HK\$40 million. The trust arrangement affords the current executive directors of ICN some time to react should someone attempt to take control of ICN by stealth instead of making a proper general cash offer or attempt to get access to its cash resources. The directors of ICN consider that this trust arrangement is necessary. ICNF is a wholly owned subsidiary of ICN. The total issued, and paid up capital of ICNF is HK\$40 million divided into 40 million shares of which 20 million shares are held directly by ICN and the remaining 20 million shares are held by Mr. Hui on trust for ICN. In this trust arrangement, Mr. Hui executed two declarations of trust and a blank instrument of transfer in favour of ICN for the total 20 million shares registered in his name. The beneficial interest in the said 20 million shares is vested in ICN. ICN can at any time require Mr. Hui to transfer the beneficial interest in the 20 million shares according to its direction.

ICNF spends and will continue to spend the HK\$40 million in achieving the business objectives of ICN. Out of this HK\$ 40 million, a sum of approximately HK\$5 million has been allocated to the account of International Capital Network Limited to enable that company to provide a bank reference in order for it to establish offices in the PRC and to provide that company with general working capital. With the above arrangements, the amount of approximately HK\$40 million are kept under ICNF and International Capital Network Limited.

Further announcement

A further announcement will be made on the progress of recent developments of ICN, when appropriate.

Resumption of trading

Trading in the shares of ICN was suspended at the request of ICN with effect from 10:00 a.m. on Monday, 12th August, 2002. Application will be made to the Stock Exchange for the resumption of trading in its shares, with effect from 9:30 a.m. on Wednesday, 18th September, 2002.

Investors and shareholders of ICN should exercise caution in dealing in shares of ICN.

The directors of International Capital Network Holdings Limited (“ICN”) wish to inform shareholders of recent developments on the following issues:

Winding up petition

On 16th August, 2002, ICN received a copy of a winding-up petition, taken out by International Technology Capital Limited seeking a winding up of ICN on the grounds that is “just and equitable” as provided under section 327(3)(c) of the Companies Ordinance, together with an affirmation in support of the winding-up petition. The hearing of the petition is fixed for 9:30 a.m. on 6th November, 2002. ICN has been advised by its legal advisers that the petition does not on its face reveal any valid grounds on which the Court might reasonably be expected to order the winding up of ICN. ICN is considering its position in relation to this petition and its implications in the context of the offer referred to below, in consultation with its legal and financial advisers.

The directors of ICN would like to remind the shareholders of ICN that under the Companies Ordinance any transfer of shares made after the commencement of the winding up, shall, unless the court otherwise orders, be void if a winding up order is granted by the Court.

Court decision

Reference is made to an announcement made by ICN dated 15th May, 2002 in respect of an injunction order restraining Capital Ace Holdings Limited and Wise Express Assets Limited (together the “requisitionists”) from holding or purporting to hold an extraordinary general meeting of ICN (the “15th May, 2002 Order”).

The hearing of the application by ICN that the 15th May, 2002 Order be continued was heard on Tuesday, 27th August, 2002 and Wednesday, 28th August, 2002 before the Honourable Chung J. . On 3rd September, 2002, Honourable Chung J. delivered a written judgment ordering that the 15th May, 2002 Order be discontinued. ICN has applied to appeal against this decision on 16th September, 2002. No indication has been received from the requisitionists that they do or do not intend to hold or purport to hold an extraordinary general meeting of ICN.

Reference is made to announcements made by ICN dated 30th May, 2002 and 7th June, 2002 in respect of an order restraining ICN and the directors of ICN from issuing any shares, options or other securities convertible into equity securities unless with shareholders approval (“30th May, 2002 Order”) and an announcement made by ICN dated 5th August 2002 in respect of the discharge of the 30th May, 2002 Order.

The requisitionists’ appeal in respect of the 30th May, 2002 Order was heard on Friday, 30th August, 2002 and Monday, 2nd September, 2002. On 6th September, 2002, the Honourable Yuen JA and the Honourable Woo JA delivered a written decision ordering that, inter alia, the appeal by the requisitionists against the decision of Deputy Judge Carlson to discharge the order preventing ICN from issuing shares be dismissed, with an order nisi that costs of the appeal be awarded to ICN. The Court of Appeal has also recorded an undertaking given by ICN that it will not issue any shares under the share option scheme until the holding of the extraordinary meeting on 2nd December, 2002. There are no share options outstanding under the employee share option scheme of ICN and given the judgment the directors of ICN do not intend to grant any such options.

Offer

The directors of ICN have been informed by Somerley Limited, and that company has publicly announced on 5th September, 2002, that it is to make on behalf of Koffman Securities Limited a voluntary conditional offer for all the shares in ICN for a consideration at the election of shareholders of either:

for each share in ICN HK\$0.03 in cash; or
for every eight shares in ICN one share in Kong Sun Holdings Limited.

The directors of ICN advise shareholders to take no action in response to this offer until they have received the advice of the board and its financial advisers. An independent financial adviser will be appointed if and when this becomes necessary or desirable. Nothing in this announcement should be taken as any admission that ICN considers the offer to be bona fide.

Trust arrangement

In connection with a complaint received by the regulatory authorities, ICN would like to give the public details of trust arrangements entered into in December, 2001.

Mr. Hui Chuen Kin, Daniel (“Mr Hui”) and Mr. Lui Bing Kin, Michael, both being the executive directors of ICN and the directors of ICN Finance Limited (“ICNF”), and the bank signatories of ICNF will be fully responsible to ICN, the regulators and the shareholders of ICN for the deployment of the HK\$40 million. The trust arrangement affords the current executive directors of ICN some time to react should someone attempt to take control of ICN by stealth instead of making a proper general cash offer or attempt to get access to its cash resources. The directors of ICN consider this trust arrangement is necessary. ICNF is a wholly owned subsidiary of ICN incorporated in the British Virgin Islands on 27th December, 2001. The total issued and paid-up share capital of ICNF is HK\$40 million divided into 40 million shares of HK\$1.00 each of which 20 million shares are held directly by ICN and the remaining 20 million shares are held by Mr. Hui on trust for ICN. In this trust arrangement, Mr. Hui executed two declarations of trust and a blank instrument of transfer in favour of ICN for the total 20 million shares registered in his name. The beneficial interest of the said 20 million shares is vested in ICN. ICN can at any time require Mr. Hui to transfer the beneficial interest in the 20 million shares according to its direction.

ICNF spends and will continue to spend the HK\$40 million in accordance with the business objectives of ICN and unless fresh funds are injected, it clearly has to be expected that that money will diminish over time. Out of this HK\$ 40 million, a sum of approximately HK\$5 million has been allocated to the account of International Capital Network Limited to enable that company to provide a bank reference in order for it to establish offices in the PRC and to provide that company with general working capital. With the above arrangements, the amount of HK\$40 million are kept under ICNF and International Capital Network Limited for achieving the business objectives of ICN.

Further announcement

A further announcement will be made on the progress of recent developments of ICN, when appropriate.

Resumption of trading

Trading in the shares of ICN was suspended at the request of ICN with effect from 10:00 a.m. on Monday, 12th August, 2002. Application will be made to the Stock Exchange for the resumption of trading in its shares, with effect from 9:30 a.m. on Wednesday, 18th September, 2002.

Investors and shareholders of ICN should exercise caution in dealing in shares of ICN.

By Order of the Board
International Capital Network Holdings Limited
Hui Chuen Kin, Daniel
Chairman

Hong Kong, 17th September, 2002

This announcement will remain on the GEM website at 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.*