

Issued on: Thursday 21 December 2000

**I.C.MUTUAL (AUSTRALASIA) LTD GIVES ENFORCEABLE
UNDERTAKING**

The Australian Securities and Investments Commission (ASIC) has accepted a court-enforceable undertaking from I.C. Mutual (Australasia) Limited, a Grenada-incorporated unlisted public company, not to issue, allot or offer for sale securities on the basis of the prospectus lodged by the company on 18 September 2000.

The prospectus sought to raise up to UK£12,500,000 for the company by way of an issue of redeemable shares. It was disclosed in the prospectus that subscription funds were to be utilised by the company in the purchase of financial or promissory notes, principally notes proposed to be issued by two British Virgin Island companies Financiers (Australasia) Ltd and ICPC (Australasia) Ltd. The prospectus further disclosed that the latter companies would generally deal with funds received for the purpose of on-lending the proceeds on a secured basis to United Kingdom-based businesses within the Imperial Consolidated group of companies.

In the course of a post-lodgement review of the prospectus, ASIC advised the company of concerns regarding the adequacy of disclosure in the prospectus. These concerns included that:

- the prospectus did not make adequate disclosure in relation to the current financial position, performance history and prospects of businesses within the Imperial Consolidated group;
- the prospectus did not make adequate disclosure of the extent of the ability of non-public shareholders in the company being able, in practical terms, to exert voting control over the conduct of the affairs of the company.

As a result of its concerns, ASIC issued an interim stop order in relation to the prospectus on 2 October 2000, having the effect of prohibiting the further offer or allotment of shares under the prospectus pending the conclusion of a hearing under section 739 of the Corporations Law. A further interim order was made on 23 October 2000 and a hearing in relation to ASIC's concerns was conducted on 31 October 2000.

Pending the final conclusion of that hearing, and without admitting to ASIC's concerns, the company subsequently agreed to withdraw use of the prospectus and to proffer a court-enforceable undertaking as a means of satisfying ASIC's requirements.

Under that undertaking the company agreed not to further circulate the prospectus or to allot or issue shares pursuant to the prospectus as well as refund any subscription monies received under the prospectus.

"Wherever ASIC develops concerns in relation to the adequacy of disclosure under a prospectus it will take action to prevent circulation or use of that prospectus until those concerns are resolved or otherwise answered", ASIC's Queensland Regional Commissioner, Gregory Tanzer said today.



ASIC

Australian Securities &
Investments Commission

MEDIA RELEASE

"The prospectus disclosure regime under Chapter 6D of the Corporations Law imposes the requirement on issuers to provide clear disclosure of information material to a reader's decision to invest and notably of risks applicable to one's investment.

"ASIC will consider taking remedial action in relation to a prospectus wherever it believes material information has not been disclosed, or disclosed in a readily comprehensible manner", Mr Tanzer said.

A copy of the enforceable undertaking will shortly be accessible on the ASIC website at www.asic.gov.au.

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