

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**KESSEL INTERNATIONAL  
HOLDINGS LIMITED**

**佳信科技集團有限公司\***

*(Provisional Liquidators Appointed)*

*(Incorporated in Bermuda with limited liability)*

**(the “Company”)**



**YUE FUNG INTERNATIONAL GROUP  
HOLDING LIMITED**

**裕豐國際集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**RESULTS OF SPECIAL GENERAL MEETING**

The Kessel Provisional Liquidators and Yue Fung are pleased to announce that at the Special General Meeting held on Monday, 12 August, 2002, Shareholders approved each of the resolutions set out in the SGM Notice.

The Company has also obtained approval from the Bermuda Monetary Authority on 1 July, 2002 approving the issue of the New Shares to be issued and allotted under the Restructuring Agreement, the issue of the Convertible Notes and the New Shares falling to be issued on conversion of the Convertible Notes.

The Shareholders have also approved at the Special General Meeting the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

The Kessel Provisional Liquidators and Yue Fung are also pleased to announce the Company, the Investor and the Kessel Provisional Liquidators have on 8 August, 2002 entered into the Subscription Agreement for the subscription of 10,000,000,000 New Shares by the Investor for an aggregate cash consideration of HK\$40,000,000. Completion of the Subscription Agreement shall take place at Closing.

As at the date of this announcement, each of Yue Fung and Simply Noble is yet to subscribe for the Convertible Notes. Each of Yue Fung and Simply Noble is expected to subscribe for the Convertible Notes shortly before Closing. Announcement will also be made when each of Yue Fung and Simply Noble subscribes for the Convertible Notes.

Subject to other conditions being fulfilled, including without limitation, HSBC executing a deed of release for its fixed and floating charge over the assets of Keview and withdrawing the petitions for the winding-up of the Company and Keview conditional on Closing; and the Courts ordering the discharge and release of the Provisional Liquidators, Closing is expected to take place on 20 August, 2002. An announcement will be made later on the delay of the timetable and details of trading arrangement of the Shares pending the hearing in the High Court of Hong Kong on 19 August, 2002. Further announcement will also be made upon Closing which shall include information on the resumption of trading in the New Shares.

Trading in the Company's shares has been suspended since 2:30 p.m. on 23 May, 2001, and will remain suspended until further notice.

Reference is made to the announcement dated 20 July, 2002 in relation to the despatch of the Company's composite document to Shareholders dated 19 July, 2002 (the "**Document**"), together with the notice (the "**SGM Notice**") of the special general meeting (the "**Special General Meeting**") of the Company. Reference is also made to the joint announcement of the Company and Yue Fung International Group Holding Limited dated 25 April, 2002. Terms used in this announcement have the same meanings as those defined in the Document, unless the context otherwise requires.

## **APPROVAL OF RESOLUTIONS AT THE SPECIAL GENERAL MEETING**

The Kessel Provisional Liquidators and Yue Fung are pleased to announce that at the Special General Meeting held on Monday, 12 August, 2002, the Shareholders passed each of the resolutions set out in the SGM Notice by the requisite majorities.

On votes taken by a show of hands, resolutions nos. 1 and 2 were approved by Shareholders as special resolutions of the Company and resolutions nos. 3 to 5 and 7 to 9 as ordinary resolutions of the Company. Resolution no. 6 was approved by Independent Shareholders by a vote taken on a poll, as an ordinary resolution of the Company.

The Shareholders have also approved at the Special General Meeting the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

## **WHITEWASH WAIVER**

Reference is made to the Whitewash Waiver granted by the Executive to the Investor on 25 July, 2002 conditional upon satisfaction of the requirements of Note 1 of the Notes on Dispensations from Rule 26 and the Whitewash Guidance Note of the Code. In accordance with the requirements, a poll was taken in relation to the voting for resolution no. 6 to approve the Whitewash Waiver as set out in the SGM Notice. At the Special General Meeting, Independent Shareholders voted 211,702,000 Existing Shares for, representing approximately 99.98% of the total issued Shares and one Independent Shareholder voted 52,000 Existing Shares against, representing approximately 0.02% of the total issued Shares, resolution no. 6. Accordingly, resolution no. 6 was approved by Independent Shareholders on a poll as an ordinary resolution of the Company.

Upon Closing, the Investor will be entitled to be allotted and issued an aggregate of 10,000,000,000 New Shares, representing approximately 97% of the voting rights attaching to the shares of the Company expected to be in issue at Closing.

## **BERMUDA MONETARY APPROVAL**

The Kessel Provisional Liquidators and Yue Fung are pleased to announce that on 1 July, 2002, the Bermuda Monetary Authority granted its approval for (i) the issue of the New Shares to be issued and allotted under the Restructuring Agreement, (ii) the issue of the Convertible Notes and (iii) the issue of New Shares falling to be issued on conversion of the Convertible Notes.

## **SUBSCRIPTION AGREEMENT**

The Kessel Provisional Liquidators and Yue Fung are also pleased to announce the Company, the Investor and the Kessel Provisional Liquidators have on 8 August, 2002 entered into the Subscription Agreement for the subscription of 10,000,000,000 New Shares by the Investor for an aggregate cash consideration of HK\$40,000,000. Completion of the Subscription Agreement, which is conditional upon, delivery of the closing notice in accordance with the Restructuring Agreement, is expected to take place at Closing.

## **CONVERTIBLE NOTES**

As at the date of this announcement, no agreement has been entered into in respect of the Convertible Notes and each of Yue Fung and Simply Noble is yet to subscribe for the Convertible Notes. Each of Yue Fung and Simply Noble is expected to subscribe for the Convertible Notes shortly before Closing. Announcement will also be made when Yue Fung and Simply Noble subscribes for the Convertible Notes.

## **SANCTION OF THE CREDITORS' SCHEMES**

The Creditors' Schemes, necessary to return the Company to solvency, have been sanctioned in Hong Kong and Bermuda on 6 August, 2002 and 9 August, 2002 respectively, subject to the issue of the notice required to effect Closing.

## **RELEASE OF PROVISIONAL LIQUIDATORS**

On 9 August, 2002, the Kessel Provisional Liquidators were released subject to the issue of the notice required to effect Closing. Subject to satisfaction of the other conditions precedent set out in the Restructuring Agreement, it is anticipated that the Kevew Provisional Liquidators will be released and discharged at the hearing in the High Court of Hong Kong on 19 August, 2002.

## **WITHDRAW OF WINDING UP PETITIONS**

On 9 August, 2002, the winding-up petition against the Company was withdrawn subject to the issue of the notice required to effect Closing. Subject to satisfaction of the other conditions precedent set out in the Restructuring Agreement, it is anticipated that the winding-up petition presented against Kevew will be withdrawn on 19 August, 2002.

## **CLOSING**

Subject to other conditions being fulfilled, including without limitation, HSBC executing a deed of release for its fixed and floating charge over the assets of Kevew and withdrawing the petitions for the winding-up of the Company and Kevew conditional on Closing; and the Courts ordering the discharge and release of the Provisional Liquidators, Closing is expected to take place on 20 August, 2002. An announcement will be made later on the delay of the timetable and details of trading arrangement of the Shares pending the hearing in the High Court of Hong Kong on 19 August, 2002. Further announcement will also be made upon Closing which shall include information on the resumption of trading in the New Shares.

Trading in the Company's shares has been suspended since 2:30 p.m. on 23 May, 2001, and will remain suspended until further notice.

For and on behalf of  
**KESSEL INTERNATIONAL  
HOLDINGS LIMITED**  
**(Provisional Liquidators Appointed)**  
**Tam Chi Kok, Gabriel**  
*Joint and Several Provisional Liquidator  
acting as agent of the Company*

By Order of the Board  
**YUE FUNG INTERNATIONAL GROUP  
HOLDING LIMITED**  
**Lee Wing Kan**  
*Chairman and Managing Director*

Hong Kong, 12 August, 2002

*The Kessel Provisional Liquidators, as agents of the Company, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Investor and parties acting in concert with them and confirm, having made all reasonable inquiries, that to the best of their knowledge, the 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.*

*The directors of the Investor jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Company and the Group and parties acting in concert with them and confirm, having made all reasonable inquiries, that to the best of their knowledge, the 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.*

\* *for identification purposes only*

“Please also refer to the published version of this announcement in China Daily”.