

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*

(to be renamed as A-Max Holdings Limited)
(Incorporated in Bermuda with limited liability)



YUE FUNG INTERNATIONAL GROUP HOLDING LIMITED
裕豐國際集團控股有限公司*

(Incorporated in Bermuda with limited liability)

**COMPLETION OF RESTRUCTURING AGREEMENTS,
CHANGE IN DIRECTORS, CHANGE OF COMPANY NAME,
SUBSCRIPTION OF CONVERTIBLE NOTES,
PLACING OF SHARES, RESTORATION OF PUBLIC FLOAT
AND
RESUMPTION OF TRADING**

The Board is pleased to announce that all the conditions precedent under the Restructuring Agreement have been satisfied and that Closing took place on 21 August, 2002. The effective date for the Capital Restructuring was 21 August, 2002.

All existing Directors have resigned and new Directors have been appointed with effect from Closing.

Except for the appropriate filing being made with the Registrar of Companies in Bermuda and the Registrar approving the change of name, all other conditions precedent required to be satisfied for the change of the Company's name to "A-Max Holdings Limited" to become effective have been satisfied. Further announcement regarding the effective date of the change of name and arrangements for trading of Shares in the new name of the Company on the Stock Exchange will be made when the change of name of the Company has become effective and unconditional.

The Board also announces that on 21 August, 2002 Yue Fung and Simply Noble have entered into an agreement for the subscription of the Convertible Notes pursuant to which each of Yue Fung and Simply Noble is to subscribe for HK\$15,000,000 zero coupon 5-year Convertible Notes.

The Investor has notified the Company that on the date of this announcement, TKR Securities (Hong Kong) Limited has, on behalf of the Investor, placed to 10 placees, being independent of and not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or the Investor or any of its subsidiaries, or any of their respective associates (as such term is defined in the Listing Rules), an aggregate of 2,290,000,000 Shares of HK\$0.001 each at a price of HK\$0.002 per Share, representing approximately 22.28% of the existing issued share capital of the Company.

A total of 10 placees are interested in approximately 22.28% of the existing issued share capital of the Company. Investors should be aware that the above concentration of shareholders might affect the liquidity of the Shares in the secondary market. Consequently, the shareholders of the

Company and potential investors are advised to exercise extreme caution in dealing with the Shares.

The placing of 2,290,000,000 Shares was completed on the date of this announcement.

Following Closing on 21 August, 2002, the Investor held approximately 97% of the existing issued share capital of the Company. After the placing of 2,290,000,000 Shares by TKR Securities (Hong Kong) Limited, the Investor owns 7,710,000,000 Shares, representing 75% of the existing issued share capital of the Company. Accordingly, 25% of the issued share capital of the Company is now held in the hands of the public.

Trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on 23 May, 2001. As the Restructuring Agreement has been completed and public float of the Company has been restored upon completion of the Placing, application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 23 August, 2002.

Reference is made to the Company's composite document (the "**Document**") dated 19 July, 2002 issued to its shareholders. Reference is also made to the joint announcement dated 25 April, 2002 in relation to the proposed restructuring of the Company and the joint announcements dated 12 August, 2002, 16 August, 2002 and 20 August, 2002 in relation to the results of the special general meeting of the Company, the revised timetable and the delay in the completion of the Restructuring Agreement, respectively (together, the "**Announcements**"). Terms used in this announcement shall have the same meanings as those defined in the Document.

COMPLETION OF THE RESTRUCTURING AGREEMENT

The Board is pleased to announce that all the conditions precedent under the Restructuring Agreement have been fulfilled and that Closing took place on 21 August, 2002. The effective date for the Capital Restructuring was 21 August, 2002. The Courts have ordered the discharge and release of the Provisional Liquidators which became effect from 21 August, 2002.

SHAREHOLDINGS

Immediately after completion of the Restructuring Agreement, the shareholdings of the Company are as follows:

Shareholding of the Company immediately upon Completion but before conversion of the Convertible Notes

	Number of New Shares held immediately upon Closing and before restoration of public float (million)	Approximate percentage holdings (%)	Number of New Shares held immediately upon Closing and after restoration of public float (million)	Approximate percentage holdings (%)
Investor Stangee International Limited (<i>note I</i>)	10,000	97	7,710	75.0
Other public shareholders (<i>note II</i>)	184.8	2	184.8	1.8
	95.2	1	2,385.2	23.2
Total	10,280.0	100	10,280.0	100.0

(*note I*) According to the latest published annual report of the Company, the issued share capital of Stangee International Limited is held by the trustee of a discretionary trust in which Mr. Shun Wing Chiu, an ex-director of the Company, and his spouse are included as beneficiaries.

(*note II*) No public shareholders owns 10% or more of shareholding interest of the Company.

Immediately upon Closing, the Investor together with the parties acting in concert with it were interested in an aggregate of approximately 97% of the enlarged issued share capital of the Company before conversion of the New Notes. Accordingly, the public shareholding in the Company was approximately 3%. The Investor has made arrangements for the restoration of the public float of the Shares in order to meet the requirement under Rule 8.08 of the Listing Rules as set out in the section headed "Placing" below.

CHANGE IN DIRECTORS

The Board has accepted the resignations of each of Messrs. Shun Wing Chiu and Lam Chi Kong, as executive Directors, with effect from 20 August, 2002. The Board would like to express its gratitude to these departing Directors for their contributions to the Group and in particular, their efforts to successfully complete the restructuring exercise under the Restructuring Agreement.

The Board has also appointed Messrs. Li Wing Bun and Lee Wing Chan and Ms. Ching Mei Yee as executive Directors, and Messrs. Gordon Ng and Ng Wai Hung, Raymond as independent non-executive Directors with effect from 20 August, 2002. Details of these new Directors have been disclosed in the Document.

CHANGE OF COMPANY NAME

At the Special General Meeting held on 12 August, 2002, Shareholders approved a special resolution to change the Company's name to "A-Max Holdings Limited", and to change the Chinese name for identification purposes only to "奧瑪仕控股有限公司". Except for the appropriate filing being made with the Registrar of Companies in Bermuda and the Registrar approving the change of name, all other conditions precedent required to be satisfied for the change of the name to become effective have been fulfilled. Further announcement regarding the effective date of the change of name and arrangements for trading of Shares in the new name of the Company on the Stock Exchange will be made when the change of name of the Company has become effective and unconditional.

SUBSCRIPTION OF CONVERTIBLE NOTES

The Board is pleased to announce that on 21 August, 2002 Yue Fung and Simply Noble have entered into an agreement for the subscription of the Convertible Notes pursuant to which each of Yue Fung and Simply Noble is to subscribe for HK\$15,000,000 zero coupon 5-year Convertible Notes.

The issue of the Convertible Notes has been approved at the SGM. As the conditions to the issue of the Convertible Notes have been satisfied, the Company has issued the Convertible Notes on 21 August, 2002 to Yue Fung and Simply Noble.

The zero coupon 5-year Convertible Notes entitle the holders of such notes the right to convert the Convertible Notes into New Shares at a conversion price of HK\$0.004 per New Share.

REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTES AND USE OF PROCEEDS OF THE ISSUE OF THE CONVERTIBLE NOTES

The reason for the issue of the Convertible Notes is to raise working capital for the restoration of the operations of the Dongguan Kepo factory and for general working capital. At this stage, the Company intends to use the HK\$30,000,000 from the issue of the Convertible Notes to restore the operations of Dongguan Kepo factory, of which about HK\$20,000,000 will be used for acquiring and reconditioning machinery and utilities, trial running of materials and consumables as well as procuring materials and the balance of about HK\$10,000,000 for financing operating overheads.

The following table shows the estimated changes in the shareholding of the Company based on three scenarios, (a) the shareholding structure of the Company upon Closing; (b) the shareholding structure of the Company after the Investor has placed down its interests to maintain the minimum public float of the Company immediately following Closing; and (c) assuming full conversion of the Convertible Notes immediately after Closing and placing by the Investor:

	Scenario (a)		Scenario (b)		Scenario (c)	
	Immediately upon Closing		Based on structure immediately upon Closing but adjusted for the placing by the Investor of the New Shares to the public to maintain the minimum public float		Assuming full conversion of the Convertible Notes immediately after Closing and placing by the Investor	
	No. of New Shares '000	Approx. %	No. of New Shares '000	Approx. %	No. of New Shares '000	Approx. %
Yue Fung (Note 2)	–	–	–	–	3,750,000	21
Investor (Note 2)	10,000,000	97	7,710,000	75	7,710,000	44
Simply Noble (Note 2)	–	–	–	–	3,750,000	21
Subtotal	10,000,000	97	7,710,000	75	15,210,000	86
Stangee International Limited	184,800	2	184,800	2	184,800	1
Other public Shareholders	95,200	1	2,385,200	23	2,385,200	13
Total	10,280,000	100	10,280,000	100	17,780,000	100

Note 2: Yue Fung, the Investor and Simply Noble are deemed to be concert parties as defined by the Code as Simply Noble is the substantial shareholder of Yue Fung, which wholly and beneficially owns the Investor.

PLACING

The Investor has notified the Company that on the date of this announcement, TKR Securities (Hong Kong) Limited has, on behalf of the Investor, placed to 10 placees, being individuals and professional investors independent of and not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or the Investor or any of its subsidiaries, or any of their respective associates (as such term is defined in the Listing Rules), an aggregate of 2,290,000,000 Shares of HK\$0.001 each at a price of HK\$0.002 per Share, representing approximately 22.28% of the existing issued share capital of the Company. Accordingly, the public float in Shares has been restored on 22 August, 2002 in compliance with Rule 8.08 of the Listing Rules.

A total of 10 placees are interested in approximately 22.28% of the existing issued share capital of the Company. Investors should be aware that the above concentration of shareholders might affect the liquidity of the Shares in the secondary market. Consequently, the shareholders of the Company and potential investors are advised to exercise extreme caution in dealing with the Shares.

The placing of the 2,290,000,000 Shares was completed on the date of this announcement.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 2:30 pm on 23 May, 2001 after the Group has experienced deterioration in its cashflow and winding-up petition was made against the Company. As a result of completion of the Restructuring Agreement, new funds in the amount of HK\$30 million have been injected into the Company as working capital and the net liabilities position has been reversed. As a result, application has been made at the Stock Exchange for resumption of trading in the New Shares.

The winding up petition against the Company and the winding up petition against Kevue were both withdrawn and became effective on 21 August 2002.

The directors of the Company are of the opinion that, in the absence of unforeseen circumstances and with the financial support of the Investor and Yue Fung, the Group will have sufficient working capital to fund the continued operation of the Group for the coming twelve months after Closing, being 21 August 2002. Please refer to the Document for more details.

Trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on 23 May, 2001. As the Restructuring Agreement has been completed and public float in the Shares has been restored upon completion of the placing of 2,290,000,000 Shares of HK\$0.001 each which took place on 22 August, 2002, application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 23 August, 2002.

For and on behalf of
**KESSEL INTERNATIONAL
HOLDINGS LIMITED**
(to be renamed as A-Max Holdings Limited)
Li Wing Bun
Chairman and Managing Director

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

Hong Kong, 22 August, 2002

The directors 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”.