

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.



YUE FUNG INTERNATIONAL GROUP HOLDING LIMITED

裕豐國際集團控股有限公司*

(Incorporated in Bermuda with limited liability)

**DESPATCH OF CIRCULAR
RELATING TO THE PROPOSED CAPITAL REORGANISATION
OF THE COMPANY INVOLVING REDUCTION OF CAPITAL
AND CONSOLIDATION OF SHARES**

The circular relating to the Capital Reorganisation together with the notice of SGM was despatched on 4th September, 2002.

Reference is made to the announcement (the “Announcement”) of Yue Fung International Group Holding Limited (the “Company”) dated 9th August, 2002 relating to the proposed capital reorganisation of the Company involving reduction of capital and consolidation of shares. Terms defined in the Announcement have the same meanings when used herein unless otherwise defined.

The Directors would like to inform shareholders of the Company that the circular relating to, inter alia, the Capital Reorganisation, together with the notice of the SGM, has been despatched to shareholders of the Company (“Shareholders”) on 4th September, 2002. The expected timetable in respect of the implementation of the Capital Reorganisation is set out below:

2002

Latest time for lodging forms of proxy

for the SGM 10:30 a.m., Wednesday, 25th September

Expected date of the SGM 10:30 a.m., Friday, 27th September

Effective date of the Capital

Reorganisation after the close of business on Friday, 27th September

Free exchange of existing share certificates for

new share certificates commences Monday, 30th September

Closure of original counter for trading in Shares

in board lots of 2,000 9:30 a.m., Monday, 30th September

Temporary counter for trading in Consolidated

Shares in board lots of 10 Consolidated Shares

in the form of existing share certificate(s) opens 9:30 a.m., Monday, 30th September

Designated broker to stand in the market to
provide matching service 9:30 a.m., Monday, 30th September

Original counter for trading in Consolidated Shares in
board lots of 2,000 Consolidated Shares in the form of
new share certificate(s) re-opens 9:30 a.m., Wednesday, 16th October

Parallel trading commences 9:30 a.m., Wednesday, 16th October

Temporary counter for trading in Consolidated Shares
in board lots of 10 Consolidated Shares in the form
of existing share certificate(s) closes 4:00 p.m., Wednesday, 6th November

Parallel trading ends 4:00 p.m., Wednesday, 6th November

Last day for the designated broker to stand
in the market to provide matching service 4:00 p.m., Wednesday, 6th November

Free exchange of existing share certificates for
new share certificates ends Monday, 11th November

In order to alleviate the difficulties in trading arising from the existence of odd lots of Consolidated Shares, TingKong-RexCapital Securities International Limited has agreed to make arrangements, during the period commencing at 9:30 a.m. on 30th September, 2002 and ending at 4:00 p.m. on 6th November, 2002 (both days inclusive), to stand in the market to provide matching services on a best effort basis for the sale and purchase of odd lots of Consolidated Shares at the Shareholders' own cost. Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up their odd lots to a full board lot of 2,000 Consolidated Shares may contact Mr. Roy Ts'o of TingKong-RexCapital Securities International Limited at telephone no. (852) 2236-6899 as soon as possible starting from 9:30 a.m. on 30th September, 2002 to 4:00 p.m. on 6th November, 2002 (both dates inclusive). Holders of odd lot Shares should note that matching of odd lots is not guaranteed and they are recommended to consult their professional advisors if in doubt about the aforementioned facility.

Currently, the Shares are traded in board lots of 2,000 Shares. Upon Capital Reorganisation becoming effective and subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consolidated Shares, the board lot of Shares will remain unchanged and will be traded in board lots of 2,000 Consolidated Shares.

By Order of the Board of
Yue Fung International Group Holding Limited
Lee Wing Kan
Chairman and Managing Director

Hong Kong, 6th September, 2002

* *for identification purpose only*

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