

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.



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 29th November, 2002, the Company has conditionally agreed to place, 1,300,000 Placing Shares to Intellectual Industrial Limited, a company incorporated in the BVI and is independent of and not connected with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates, at a price of HK\$0.8 per Placing Share.

The Placing Shares represent approximately 5.63% of the existing issued share capital of the Company of 23,105,440 Shares and approximately 5.33% of the Company's issued share capital as enlarged by the issue of the Placing Shares. The gross proceeds from the Placing of HK\$1,040,000 will be used for additional working capital of the Company.

The Placing is conditional upon the Stock Exchange granting listing of, and permission to deal in, the Placing Shares.

PLACING

The Company has conditionally agreed to place 1,300,000 Placing Shares to Intellectual Industrial which is and its ultimate beneficial owner is independent of and not connected with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules), at a price of HK\$0.8 per Placing Share.

PLACING AGREEMENT DATED 29TH NOVEMBER, 2002

Placing price

The placing price is HK\$0.8 per Placing Share. This price was agreed after arm's length negotiations and represents (i) a discount of approximately 31.62% to the closing price of HK\$1.17 per Share quoted on the Stock Exchange on 28th November, 2002; and (ii) a discount of approximately 34.43% to the average closing price of approximately HK\$1.22 per Share as quoted on the Stock Exchange from 25th November, 2002 to 29th November, 2002, both dates inclusive, being the last 5 full trading days immediately before the issue of this announcement.

Ranking of Placing Shares

The Placing Shares will when issued and fully paid rank pari passu in all respects with the then existing issued Shares.

Number of Shares to be placed

1,300,000 new Shares are to be placed, representing approximately 5.63% of the existing issued share capital of the Company of 23,105,440 Shares and approximately 5.33% of the issued share capital of the Company as enlarged by the issue of 1,300,000 Placing Shares.

General Mandate

The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the Company's annual general meeting held on 13th November, 2002 and the then issued share capital of the Company was 23,105,440 Shares.

Use of Proceeds

The gross proceeds from the Placing of HK\$1,040,000 referred to herein will be used for additional working capital of the Company.

Condition of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares ("Condition").

Completion

The Placing is to be completed within 7 business days after satisfaction of the Condition or such other date as the Company and Intellectual Industrial may agree. The Placing Agreement will lapse if the Condition is not satisfied by 13th December, 2002 unless the parties agree otherwise.

Application for listing

Application will be made by the Company to the Stock Exchange for listing of, and permission to deal in, the Placing Shares.

Reason for the Placing

In view of the current market conditions, the Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

General

Save as disclosed in the list of shareholders below showing the shareholding of the Company before and after the Placing, as at the date hereof, the Company has not been notified of any interests in the Company's issued share capital amounting to 10% or more of the ordinary shares in issue, which is required to be recorded in the register required to be kept under section 16(1) of the Securities (Disclosure of Interests) Ordinance, Cap 396 of the laws of Hong Kong.

Before the Placing

Shareholders	No. of shares held	Percentage shareholding
(a) Simply Noble Limited (<i>note 1</i>)	7,392,940	32%
(b) Ms Ching Mei Yee (<i>note 2</i>)	286,000	1.24%
(c) Independent shareholders (none of whom is interested in more than 10% of the issued share capital)	15,426,500	66.76%
	<u>23,105,440</u>	<u>100%</u>

After the Placing

Shareholders	No. of shares held	Percentage shareholding
(a) Simply Noble Limited (<i>note 1</i>)	7,392,940	30.29%
(b) Ms Ching Mei Yee (<i>note 2</i>)	286,000	1.17%
(c) Independent shareholders including Intellectual Industrial (none of whom is interested in more than 10% of the issued share capital)	16,726,500	68.54%
	<u>24,405,440</u>	<u>100%</u>

Notes: (1) Simply Noble Limited is a company ultimately beneficially owned by the Simply Nobel Trust, which is a discretionary trust, the objects of which include Messrs. Lee Wing Kan and Lee Wing Chan.

(2) Ms. Ching Mei Yee is a director of the Company.

DEFINITIONS

“associates”	associates as defined in the Listing Rules;
“Board”	the board of Directors;
“BVI”	British Virgin Islands;

“Company”	Yue Fung International Group Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	the directors including the independent non-executive directors of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Intellectual Industrial”	Intellectual Industrial Limited, a company incorporated in the British Virgin Islands;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Placing”	the placing of 1,300,000 Placing Shares at a price of HK\$0.8 per Placing Share pursuant to the Placing Agreement;
“Placing Agreement”	the placing agreement dated 29th November, 2002 entered into between the Company and Intellectual Industrial relating to the Placing;
“Placing Shares”	1,300,000 new Shares to be placed to independent investor of the Company;
“PRC”	The People’s Republic of China;
“Share(s)”	Share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent;
“HK\$”	Hong Kong dollars.

By order of the Board of
Yue Fung International Group Holding Limited
Lee Wing Kan
Director

Hong Kong, 29th November, 2002

* *For identification purposes only*

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