

*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.*



## **HENG FUNG HOLDINGS LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **DELAY IN THE PUBLICATION OF THE RESULTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2003 AND DESPATCH OF THE ANNUAL REPORT**

The publication of announcement of the audited final results of the Group for the year ended 31 March 2003 will be postponed to on or before 29 August 2003 and the annual report will be despatched to the Company's shareholders within two weeks thereafter. The delay in publication of the Audited Final Results and despatch of the Annual Report constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Company has also breached paragraph 11(3)(i)(c) of the Listing Agreement by not publishing its unaudited results within four months after its financial year end. In this regard, the Stock Exchange reserved its right to take action against the Company and/or its Directors in relation thereof.

The Directors of Heng Fung Holdings Limited (the "Directors") announce that there will be a delay in the publication of the audited final results of Heng Fung Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2003 (the "Audited Final Results") and the despatch of the annual report to the Company's shareholders for the year ended 31 March 2003 (the "Annual Report").

Pursuant to paragraphs 8(1) and 11(1) of the Listing Agreement, the Annual Audited Results and Annual Report (including its audited annual accounts) has to be published in the press and despatched to shareholders of the Company within four months from the end of the financial year to which they relate.

The reasons for the delay is that during the year, the Group had agreed with a debtor, RNA Holdings Limited (not a connected person of the Company as defined in the Listing Rules), the shares of which are listed on the Stock Exchange ("Debtor"), for the full settlement of outstanding debts of HK\$19.3 million owed to the Group for consideration of acquisition of an investment involved in consumer card projects, by issue of new ordinary shares under the debt restructuring of the Debtor ("Shares"). The Group has received 965,147,945 issued Shares on 14 July 2003, representing approximately 5.16% interest in the Debtor. The shares of the Debtor has been suspended for trading on 30 May 2003 and according to the latest circular dated 21 June 2003 of the Debtor, its shares were scheduled to resume trading on 16 July 2003 but remain suspended up to the date of this announcement. The management of the Company is not able to ascertain the fair value of the Shares and any necessity for the provision on it. Besides, the management has not yet obtained the audited accounts and financial information of certain principal subsidiaries operating in the United States ("Subsidiaries") for consolidation purpose. The subsidiaries in

the U.S. were acquired by the Group at the end of last financial year to be satisfied by reducing the amount outstanding of a debenture issued by a U.S. company to the Group due to its inability to pay the debt in cash. As a result, the Group has been required to commit additional resources to prepare its financial record which has delayed the audit progress. The management of the Company expects that the preparation of the Group's consolidated financial statements to be completed on or before 29 August 2003. In order to present a fairer financial position and results of the Group, the management considers it is more appropriate to resolve these issues before the audited results are finalized.

The Audited Final Results of the Group for the year ended 31 March 2003 will be postponed to be published in the press on or before 29 August 2003 and the Annual Report will be despatched to Company's shareholders within two weeks thereafter. The delay in the publication of the Audited Final Results and the despatch of the Annual Report has constituted a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Company has also breached paragraph 11(3)(i)(c) of the Listing Agreement by not publishing its unaudited results within four months after its financial year end. In this regard, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reserves its right to take appropriate action against the Company and/or its Directors in relation thereof. Further announcement shall be made by the Company if there is any change in the publication date of the Audited Final Results and the despatch of the Annual Report.

The delay does not constitute a breach under the Company's articles of association or Companies Ordinance.

The Directors have confirmed that they have not been dealing in any securities of the Company during the period of one month immediately preceding the announcement date originally scheduled i.e. 28 July 2003 and have undertaken that they will not deal in any securities of the Company until the Audited Final Results are published.

By Order of the Board  
**Heng Fung Holdings Limited**  
**Chan Heng Fai**  
*Chairman and Managing Director*

Hong Kong, 24 July, 2003

"Please also refer to the published version of this announcement in The Standard".