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YUE FUNG INTERNATIONAL GROUP HOLDING LIMITED

(裕 豐 國 際 集 團 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

TERMINATION OF AN OPEN OFFER

On 13th December, 2002, Yue Fung International Group Holding Limited (the “Company”) entered into an underwriting agreement relating to an open offer of certain number of the shares of the Company. Due to the recent press articles in relation to the investigation into the Company and a number of its directors, the Company considers that it is not the right time to proceed with the open offer. On 18th December, 2002, the Company entered into a termination agreement to terminate the above underwriting agreement. Pursuant to the termination agreement, the obligations and/or liabilities of all the parties under the underwriting agreement shall be discharged. Therefore, the open offer will not proceed.

Trading in the shares of the Company will remain suspended pending a clarification announcement in relation to the recent press articles about the Company.

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

Hong Kong, 20th December, 2002

* *For identification purposes only*

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