YEW SANG HONG (HOLDINGS) LIMITED
耀生行（集團）有限公司

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(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

On 2 November 2002, the Company has entered into the Supplemental Letter with the PRC Party, pursuant to which the parties agreed to extend the time for the negotiation and finalisation of the Formal Agreement for further three months.

The final terms of the Formal Agreement have yet to be negotiated and finalised and may deviate from those contained in the Letter of Intent. Further announcement will be made by the Company as and when appropriate. **The proposed transaction may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.**

Reference is made to the announcement (the "Announcement") of Yew Sang Hong (Holdings) Limited (the "Company") dated 3 May 2002 relating to the letter of intent (the "Letter of Intent") dated 2 May 2002 entered into between the Company and 深圳市一輝實業有限公司, a company incorporated in the People's Republic of China (the "PRC") with limited liability, (the "PRC Party"), in relation to the proposed formation of a sino-foreign joint venture company (the "JV Company") in the PRC by entering into a formal joint venture agreement between Yew Sang Hong (China) Limited, a wholly-owned subsidiary of the Company, and the PRC Party (the "Formal Agreement"). The JV Company is expected to be principally engaged in consultancy and advisory services in respect of various construction engineering (including electrical and mechanical engineering) and equipment and material trading business (including electrical and mechanical engineering equipment and materials) in the PRC. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the Letter of Intent, the Letter of Intent shall be treated as automatically lapsed in the event that the Formal Agreement could not be entered into within six months from the date of the Letter of Intent. On 2 November 2002, the Company has entered into a supplemental letter (the "Supplemental Letter") with the PRC Party, pursuant to which the parties agreed to extend the time for the negotiation and finalisation of the Formal Agreement for further three months (the "Extension"). The Extension is intended to allow more time for both parties to study further on the development and prospect of property market and the construction engineering industry in the PRC and to negotiate on the terms of the JV Company and its business direction and operation model. Save for the Extension, the terms and conditions under the Letter of Intent remain unchanged. In the event that the Letter of Intent as supplemented by the Supplemental Letter lapses or the formation of the JV Company as contemplated in the Letter of Intent does not proceed for whatever reason and no Formal Agreement is entered into, the PRC Party agreed to repay the deposit of HK$10,000,000 (after deducting the relevant expenses payable by the Company) to the Company together with interest at an interest rate of 1.75 per cent. per annum.

The final terms of the Formal Agreement have yet to be negotiated and finalised and may deviate from those contained in the Letter of Intent. Further announcement will be made by the Company as and when appropriate. **The proposed transaction may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares**

By Order of the Board
Lai Sai Sang
Chairman

Hong Kong, 4 November 2002

* *For identification purpose only*

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