# HUNG FUNG GROUP HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

## COMPLETION OF THE CN SETTLEMENT AGREEMENT AND CERTAIN SHARE SETTLEMENT AGREEMENTS

The Directors are pleased to announce that the CN Settlement Agreement has been completed. The New Convertible Note in the principal amount of HK$16,000,000 was issued to HZIC pursuant to the CN Settlement Agreement.

In addition, together with the 520,000,000 new Shares issued to a creditor of the Company as announced by the Company on 16th May, 2002, an aggregate of 956,420,000 new Shares were issued to nine creditors of the Company pursuant to certain Share Settlement Agreements.

Reference is made to the press announcements of Hung Fung Group Holdings Limited (the "Company") dated 22nd February, 2002, 14th March, 2002, 2nd April, 2002, 12th April, 2002, 25th April, 2002, 13th May, 2002 and 16th May, 2002 in relation to (i) the proposed debt restructuring of the Company; and (ii) the Settlements. On 26th April, 2002, a circular (the "Circular") containing details regarding the Restructuring Proposal and the Settlements was despatched to the Shareholders. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise stated.

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In addition, together with the 520,000,000 new Shares issued to a creditor of the Company as announced by the Company on 16th May, 2002, an aggregate of 956,420,000 new Shares were issued to nine creditors of the Company pursuant to certain Share Settlement Agreements. The remaining 113,860,000 new Shares will be issued to the remaining creditors of the Company pursuant to the Share Settlement Agreements when the Company has been provided for the eligible nominees nominated by the creditors for the issue of Shares.

## SHAREHOLDING OF THE COMPANY

Based on information available to the Directors and after making reasonable enquiries with due care, the following table sets out the shareholding structure of the Company as at the date of this announcement.

| | **Shares *(million)*** | **%** |
|---|---:|---:|
| The Investor and its concert parties | 5,871.1 | 55.0 |
| Public (including the Creditors) | 4,795.2 | 45.0 |
| | 10,666.3 | 100.0 |

By Order of the Board
**Lo Ming Chi, Charles**
*Chairman*

Hong Kong, 30th July, 2002

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any in this announcement misleading.*

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