

SMART EXTRA HOLDINGS LIMITED

(incorporated in the British Virgin Islands with limited liability)

ANNOUNCEMENT

**A firm intention to make an unconditional cash general offer (through its agents
Baron Capital Limited and Kim Eng Securities (Hong Kong) Limited)
and
an intended privatisation by way of a scheme of arrangement
by
Smart Extra Holdings Limited
both in respect of
OXFORD PROPERTIES & FINANCE LIMITED**

Unconditional cash offer

During the period from 31st March, 2003 to 11th April, 2003 (both dates inclusive), Smart Extra completed the Acquisition. By virtue of the Acquisition, Smart Extra held 60,406,962 Shares together with, inter alia, the voting rights attached thereto in aggregate, representing approximately 89.15% of the Shares in issue and approximately 89.15% of the voting rights of Oxford as at the date of this announcement. Smart Extra hereby announces that it has the firm intention to extend and shall extend the Offer, which shall be on the basis set out in Rule 26 of the Takeovers Code, to holders of equity share capital of Oxford for all the issued Shares (other than those Shares already owned by Smart Extra).

At the request of Smart Extra, Baron Capital/Kim Eng Securities have undertaken, as agents for and on behalf of Smart Extra, to jointly extend to the holders of equity share capital of Oxford an unconditional cash offer for all the issued Shares (other than those already held by Smart Extra) at the price of HK\$9.00 per Share and on the terms and conditions as outlined herein in respect of valid acceptances but subject always to the terms and conditions as set out in the composite document (or, in the event that it becomes impossible or impracticable to issue a composite document, the offer document) in respect thereof and/or the forms of acceptance and transfer to be despatched as required under the Takeovers Code.

Matters privy to the Offer are outlined under the section headed "Unconditional Cash Offer" below.

After consultation with the Executive, approaches were made by Smart Extra to a very restricted number of sophisticated investors who are Disinterested Shareholders with a view to gathering irrevocable commitments in support of Smart Extra's intended privatisation of Oxford by way of compulsory acquisition under Section 168 of the Companies Ordinance. However, Smart Extra failed to obtain the required support as aforesaid. Up to the date of this announcement, Smart Extra has received letters of irrevocable undertaking all dated 21st May, 2003 from 16 Disinterested Shareholders holding approximately 3,866,040 Shares, in aggregate, representing approximately 5.71%

of the issued share capital of Oxford or approximately 56.41% of the Disinterested Shares, whereby each and every one of them has confirmed on an irrevocable basis that they will not accept the Offer in respect of any of the Shares held by them on the terms and conditions as outlined herein. Notices of intention were also thereby given by these Disinterested Shareholders that they would support the Scheme by voting in favour of the Scheme and the Scheme Proposal both at the Court Meeting and the EGM. In the light of the aforesaid, Smart Extra will not be able to qualify to avail itself of the compulsory acquisition provisions under Section 168 of, and the Ninth Schedule to, the Companies Ordinance or Rule 2.11 of the Takeovers Code. Accordingly, Smart Extra has had to resort to Section 166 of the Companies Ordinance, being a residual provision, to carry out its intended privatisation in respect of Oxford by way of a scheme of arrangement.

Scheme of arrangement

On 6th May, 2003, Smart Extra initiated a request to Oxford to put forward a proposal to the Scheme Shareholders in respect of the privatisation of Oxford by way of a scheme of arrangement under Section 166 of the Companies Ordinance involving, inter alia, the cancellation of all Scheme Shares. Shareholders should note that a separate announcement will be issued by Oxford once it has acceded to the request of Smart Extra to put forward the Scheme Proposal to the Scheme Shareholders.

Smart Extra proposes that all Scheme Shares will be cancelled, and in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$15.00 in cash for each Scheme Share. The cancellation price represents a premium of approximately 66.67% premium over the Offer price of HK\$9.00 per Share and a premium of approximately 59.57% over the closing price of HK\$9.40 on the Stock Exchange on the Pre-Announcement Date.

Shareholders should note the information set out in the paragraph entitled “Important notice” with respect to the Offer timetable and the required qualification for becoming a Scheme Shareholder and matters in connection therewith.

The Offer and the Scheme Proposal

Caution is hereby issued by Smart Extra to Shareholders and prospective investors that the success or failure of the Scheme Proposal is dependent, inter alia, upon:

- (a) compliance/fulfillment in conformity with the requirements as set forth in Sections 166 and 167 of the Companies Ordinance, unless otherwise satisfied and/or waived;**
- (b) compliance/fulfillment in conformity with Rule 2.10 of the Takeovers Code, unless otherwise satisfied and/or waived;**
- (c) the terms and conditions as modified and/or otherwise imposed by the Court, if any, being acceptable to and accepted by Smart Extra; and**

(d) compliance/fulfillment in conformity with all other terms and conditions, whether conditions precedent or subsequent, unless otherwise satisfied or waived.

Shareholders should take note of the possibility that the Scheme Proposal may lapse whereupon the Scheme Proposal will become null and void *ab initio* and Shareholders shall have no recourse whatsoever and howsoever to Smart Extra and/or Oxford. Furthermore, the Scheme Proposal may or may not be proceeded with, or at all.

Withdrawal of listing of the Shares

Oxford will become a wholly-owned subsidiary of Smart Extra on the day on which the Scheme becomes effective and Smart Extra has fully discharged its payment obligations under the Scheme. It is the intention of Smart Extra that an application will be made, if possible and if it is thought fit to do so, to withdraw the listing of the Shares on the Stock Exchange at any time thereafter.

Despatch of composite document and scheme document

Pursuant to Rule 8.2 of the Takeovers Code, the offer document setting out details of the Offer, together with the acceptance and transfer forms, should be posted within 21 days of the date of this announcement. With a view to enabling Shareholders to make an informed decision about the Offer as well as the Scheme Proposal at the same time, it is intended that Smart Extra will issue a composite document together with Oxford and that the composite document, in addition to matters privy to the Offer, will contain a distinct section on the Scheme which will contain, inter alia, further details about the Scheme Proposal, the expected timetable, the explanatory statement required under the Companies Ordinance, the recommendation of the Independent Board, a letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of the EGM.

It is the intention of Smart Extra to issue the composite document together with Oxford, if possible and within the above time period. In the event that it becomes impossible or impracticable to do so either within the time as aforesaid or otherwise, say, by reason of accommodating the Court timetable, an offer document confined to the Offer will be issued within 21 days of the date of this announcement and, in accordance with Rule 8.4 of the Takeovers Code, an offeree board circular in respect of the Offer (which shall include, inter alia, details of the Scheme Proposal) shall be issued within 14 days of the posting of the offer document, save and except with the consent of the Executive.

Shareholders and prospective investors should note that a separate announcement will be issued by Oxford in respect of, inter alia, the Offer and/or the Scheme Proposal and they should exercise caution in dealing in the Shares.

It is the firm intention of Smart Extra to privatise Oxford. Accordingly, Smart Extra has had to consider various alternatives and to actively take additional prudent steps, many, if not all, of which were complex at law, which have taken up very considerable time, with a view to ensuring and therefore enhancing the possibility of success in respect of its intended privatisation of Oxford. Accordingly, there has been a delay in the publication of this announcement.

UNCONDITIONAL CASH OFFER

Acquisition of Shares by Smart Extra

During the period from 31st March, 2003 to 11th April, 2003 (both dates inclusive), Smart Extra completed the Acquisition. By virtue of the Acquisition, Smart Extra held 60,406,962 Shares together with, inter alia, the voting rights attached thereto in aggregate, representing approximately 89.15% of the Shares in issue and approximately 89.15% of the voting rights of Oxford as at the date of this announcement. Smart Extra hereby announces that it has the firm intention to extend and shall extend the Offer, which shall be on the basis set out in Rule 26 of the Takeovers Code, to holders of equity share capital of Oxford for all the issued Shares (other than those Shares already owned by Smart Extra).

Notwithstanding that each of MADC and Mr. J. Lee is, by its or his own individual rights, presumed to be a party acting in concert with Smart Extra by virtue of the meanings ascribed to “a party acting in concert” under the Takeovers Code, the Offer to be made by Smart Extra as aforesaid shall be extended to include MADC and Mr. J. Lee. Shares held by Mr. J. Lee, if ever tendered for acceptance under the Offer, will not be counted as part of the Disinterested Shares for the purpose of Rule 2.11 of the Takeovers Code.

MADC, an associate company of Oxford, is interested in 409,400 Shares, in which each of the William Group and Oxford is respectively interested in 50% of the entire issued share capital. With a view to fully reflecting the interests of the Disinterested Shareholders in MADC in respect of all matters herein, it has been agreed that the William Group will relinquish absolutely all its voting rights in MADC both in meetings of the members of MADC and of its board of directors in respect of the Offer and the Scheme Proposal and in addition thereto, the William Group and any members thereof will not in any way influence or otherwise affect other members of MADC and its board in respect of his/their decisions as to whether or not to accept the Offer and/or to support the Scheme Proposal. An application will be made to the Executive to rebut the presumed concert party relationship between MADC and Smart Extra.

Save and except for the Acquisition, neither Smart Extra nor any parties acting in concert with it has purchased Shares at any time during the six months prior to the date of this announcement.

The Offer

At the request of Smart Extra, Baron Capital and Kim Eng Securities have undertaken to act as agents for and on behalf of Smart Extra, to jointly extend to the holders of equity share capital of Oxford an unconditional cash offer for all the issued Shares (other than those already held by Smart Extra) at the price of HK\$9.00 per Share.

The Offer price of HK\$9.00 per Share represents:-

- a discount of approximately 4.26% to the closing price per Share of HK\$9.40 on the Stock Exchange on the Pre-Announcement Date;
- a premium of approximately 2.51% over the average closing price per Share of HK\$8.78 for the 30 trading days prior to and including the Pre-Announcement Date;
- a discount of approximately 35.85% to the audited consolidated net asset value per Share of HK\$14.03 as at 31st January, 2002; and
- a discount of approximately 36.03% to the unaudited consolidated net asset value per Share of HK\$14.07 as at 31st July, 2002.

On the basis of the Offer price being HK\$9.00 per Share, the value of Oxford would be approximately HK\$609.84 million.

Total consideration

Should all the holders of equity share capital of Oxford validly accept the Offer, the aggregate amount payable by Smart Extra at the Offer price of HK\$9.00 per Share would be approximately HK\$66.18 million. Baron Capital and Kim Eng hereby confirm that Smart Extra has produced evidence to the satisfaction of both Baron Capital and Kim Eng that Smart Extra has made available sufficient financial resources to fund and defray duly and promptly full acceptance of the Offer at the price of HK\$9.00 per Share.

Effect of accepting the Offer

By validly accepting the Offer, Shareholders will be obliged and bound to sell their Shares at the Offer price of HK\$9.00 per Share together with all rights attached, accrued and accruing to them, including but without limitation to the right to receive all dividends and distributions declared, made or paid on or after the date of this announcement, free from all liens, charges and/or encumbrances, legal or otherwise. **Shareholders should note the information contained in the section headed “Important notice” below.**

Stamp duty

Seller's ad valorem stamp duty, at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of the relevant acceptances, will be deducted from the amounts payable to Shareholders who accept the Offer. Smart Extra will remit the withheld stamp duty to the Stamp Duty Office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Other equity securities

Based on the interim report of Oxford for the six months ended 31st July, 2002, Oxford does not have any other outstanding equity securities (including equity related convertible securities, warrants, options, derivatives or subscription rights in respect of any equity share capital (including non-transferable options)) other than the Shares.

Settlement of the consideration

The consideration due to valid accepting Shareholders less the relevant stamp duty will be paid within ten days of the date of receipt of duly completed valid acceptances.

The impossibility of compulsory acquisition under Section 168 of the Companies Ordinance

According to Section 168 of, and the Ninth Schedule to, the Companies Ordinance, if, Smart Extra has, during the period of 4 months beginning on the date of the Offer, acquired not less than 90% in value of the Shares for which the Offer is made, by virtue of acceptances of the Offer or otherwise, Smart Extra shall be legally entitled to avail itself of the compulsory acquisition provisions under Section 168 of, and the Ninth Schedule to, the Companies Ordinance whereupon Smart Extra may, if it so wishes at its sole and absolute discretion, not later than 5 months after the date of the Offer, give notice in the form and in the manner as statutorily specified and/or prescribed to the holders of any Shares to which the Offer relates which Smart Extra has not acquired that it desires to acquire those Shares and thereupon Smart Extra shall be legally entitled as well as bound to acquire those Shares on the terms of the Offer.

In addition to satisfying any requirements imposed by law as summarised above, but subject always to the consent of the Executive to dispense with compliance or strict compliance thereof, Rule 2.11 of the Takeovers Code requires that the rights of compulsory acquisition may only be exercised if acceptances of the Offer and purchases (in each case of the Disinterested Shares) made by the Smart Extra and persons acting in concert with it during the period of 4 months after posting the initial offer document total 90% of the Disinterested Shares.

After consultation with the Executive, approaches were made by Smart Extra to a very restricted number of sophisticated investors who are Disinterested Shareholders with a view to gathering irrevocable commitments in support of Smart Extra's intended privatisation of Oxford by way of compulsory acquisition under Section 168 of the Companies Ordinance. However, Smart Extra failed to obtain the required support as aforesaid. Up to the date of this announcement, Smart Extra has received letters of irrevocable undertaking all dated 21st May, 2003 from 16 Disinterested Shareholders holding approximately 3,866,040 Shares, in aggregate, representing approximately 5.71% of the issued share capital of Oxford or approximately 56.41% of the Disinterested Shares, whereby each and every one of them has confirmed on an irrevocable basis that they will not accept the Offer in respect of any of the Shares held by them on the terms and conditions as outlined herein. Notices of intention were also thereby given by these Disinterested Shareholders that they would support the Scheme by voting in favour of the Scheme and the Scheme Proposal both at the Court Meeting and the EGM. In the light of the aforesaid, Smart Extra will not be able to qualify itself to avail itself of the compulsory acquisition provisions under Section 168 of, and the Ninth Schedule to, the Companies Ordinance or Rule 2.11 of the Takeovers Code. Accordingly, Smart Extra has had to resort to Section 166 of the Companies Ordinance, being a residual provision, to carry out its intended privatisation in respect of Oxford by way of a scheme of arrangement.

SCHEME OF ARRANGEMENT

Introduction

On 6th May, 2003, Smart Extra initiated a request to Oxford to put forward a proposal to the Scheme Shareholders in respect of the privatisation of Oxford by way of a scheme of arrangement under Section 166 of the Companies Ordinance involving, inter alia, cancellation of all the Scheme Shares. Shareholders should note that a separate announcement will be issued by Oxford once it has acceded to the request of Smart Extra to put forward the Scheme Proposal to the Scheme Shareholders.

Salient terms of the Scheme as proposed

- (a) The entire issued share capital of Oxford shall be reduced from HK\$67,760,000.00 to HK\$60,406,962.00 by cancellation of the 7,353,038 Shares in the equity share capital of Oxford, being the balance of the entire issued equity share capital held by holders other than Smart Extra.
- (b) Subject to and forthwith upon the said reduction of capital taking effect, the entire issued share capital of Oxford shall be increased to its former amount (i.e., HK\$67,760,000.00) by the creation of 7,353,038 new Shares.
- (c) On the Effective Date, Oxford shall apply the reserve of HK\$7,353,038.00 which will arise in its books of account as a result of the said reduction of capital in paying up in full at par the 7,353,038 new Shares which shall be allotted to Smart Extra or its nominees, credited as fully-paid.

Payments by Smart Extra

- (i) In consideration of the cancellation of the said 7,353,038 Shares, Smart Extra shall pay to the persons who at the close of business on the record date are the holders of the Shares cancelled as aforesaid the sum of HK\$15.00 in cash in respect of each Scheme Share held by them respectively at such close of business.
- (ii) Not later than 10 days after the Effective Date, Smart Extra shall deliver to the persons entitled thereto cheques for any sums payable in accordance with clause (i) above.

The Effective Date

This Scheme shall become effective as soon as all the conditions as set out under the section entitled “Conditions of the Scheme Proposal” are fulfilled/complied with, unless otherwise satisfied and/or waived.

Unless the Scheme shall have become effective on or before a date to be determined by either Smart Extra itself or by its duly authorised agent(s)/servant(s) and/or Smart Extra and Oxford together, the same shall lapse and never become effective. (A further announcement will be made in respect thereof.)

Consent to modifications

Smart Extra may, by itself or by its duly authorised agent(s)/servant(s), consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose without any further Court Meeting to be held therefor.

Cancellation consideration

The cancellation consideration of HK\$15.00 per Scheme Share represents: -

- a premium of approximately 59.57% over the closing price per Share of HK\$9.40 on the Stock Exchange on the Pre-Announcement Date;
- a premium of approximately 70.84% over the average closing price per Share of HK\$8.78 for the 30 trading days prior to and including the Pre-Announcement Date;
- a premium of approximately 6.91% over the audited consolidated net asset value per Share of HK\$14.03 as at 31st January, 2002; and
- a premium of approximately 6.61% over the unaudited consolidated net asset value per Share of HK\$14.07 as at 31st July, 2002.

The consideration of HK\$15.00 per Scheme Share was arrived at after taking into account the above. On the basis of the consideration of HK\$15.00 per Scheme Share, the Scheme Proposal values the entire issued share capital of Oxford at HK\$1,016.40 million.

Conditions of the Scheme Proposal

The Scheme Proposal will become effective and binding on Oxford and all Shareholders subject to the following conditions:

- (i) the approval of the Scheme by a majority in number representing three-fourths in value of the members of Oxford, or class of members of Oxford, as the case may be, present and voting either in person or by proxy, at the meeting(s) of the members of Oxford or class of members, as the case may be, to be summoned in such manner as the Court shall have directed pursuant to Section 166 of the Companies Ordinance;

- (ii) the approval of the Scheme by the passing of a special resolution on a poll to be held therefor by Shareholders present and voting (either in person or by proxy) at the EGM;
- (iii) the sanction of the Scheme by the High Court of Hong Kong (with or without modification and/or imposition of any other terms and conditions thereto) and an office copy of the court order minutes containing the particulars as required by the Companies Ordinance are delivered to, and registered by, the Registrar of Companies in Hong Kong;
- (iv) the approval of the Scheme by at least 75% of the votes attaching to the Disinterested Shares that are cast either in person or by proxy at a Court Meeting (or Court Meetings, if applicable) of the holders of the Disinterested Shares and the number of votes cast against the resolution to approve the Scheme at such Court Meeting(s) is not more than 10% of the votes attaching to all Disinterested Shares, in each case as required by Rule 2.10 of the Takeovers Code;
- (v) all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Scheme Proposal having been obtained or made from, with or by (as the case may be) the relevant authorities, in Hong Kong and/or any other relevant jurisdictions;
- (vi) all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Scheme Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any relevant authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Scheme Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and
- (vii) all bank and other necessary consents which may be required under any existing contractual obligations of Oxford being obtained.

Smart Extra reserves the right, if thought fit and proper in its sole and absolute discretion, to waive or cause to be waived any or all of the Scheme Conditions set out in (v) to (vii) above. The Scheme Conditions set out in (i) to (iv) above cannot be waived in any event. All of the above Scheme Conditions will have to be fulfilled/complied with, unless otherwise satisfied or waived, on or before a date to be determined by either Smart Extra itself or by its duly authorised agent(s)/servant(s) and/or Smart Extra and Oxford together (a further announcement will be made in respect thereof), otherwise the Scheme Proposal will lapse, in which event an announcement will be made in respect thereof.

Reasons for and benefit of the Scheme Proposal

In view of the continually thin trading volume of the Shares, with an average daily trading volume of 10,700 Shares for the 6 months prior to and including the Pre-Announcement Date, representing approximately 0.016% of the issued share capital of Oxford as at the date of this announcement and without any clear prospect of improvement thereof, the director of Smart Extra believes that the Scheme Proposal provides an opportunity for Shareholders to realise their investments in Oxford at a premium to the closing prices of the Shares as referred to above thereby giving Shareholders greater flexibility in the utilisation of their investment funds.

Withdrawal of listing of the Shares

Upon the Scheme becoming effective and full discharge of the payment obligations by Smart Extra under the Scheme, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents of evidence of title. It is the intention of Smart Extra that an application will be made, if possible and if it is thought fit to do so, to withdraw the listing of the Shares on the Stock Exchange at any time after the Effective Date. The Scheme Shareholders will be notified by way of a press announcement of the exact dates on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. The Scheme will lapse if it does not become effective on or before a date to be determined by either Smart Extra itself or by its duly authorised agent(s)/servant(s) and/or Smart Extra and Oxford together. A further announcement will be made in respect thereof.

Important notice

In compliance with the requirements of Rule 15.1 of the Takeovers Code, the Offer will be open for acceptance for 21 days following the date on which the composite document or (if the offeree board circular is posted on the same day) the offer document is posted or, if the offeree board circular is posted after the date on which the offer document is posted, for 28 days following the posting of the offer document. The closing date for the Offer, therefore, shall be that 21st day or the 28th day following the posting of the offer document (as the case may be). In the event that there is any delay in the issue of the offeree board circular, the Offer will remain open for 14 days following the date on which the offeree board circular is posted and be closed on that 14th day.

Any Shareholders who have tendered their Shares for acceptance under the Offer before the closure of the Register of either the EGM or any of the Court Meetings (if more than one), whichever is the earlier, will not be regarded as a holder of the equity share capital of Oxford for the purposes of the Scheme and/or the Scheme Proposal and accordingly they will not be entitled to attend and/or vote at (either in person or by proxy) any of the Court Meeting(s) and the EGM. Furthermore, such Shareholders will have disqualified themselves from availing themselves of the Scheme and will accordingly not be eligible to avail themselves of taking/accepting any payment to be paid or made under the Scheme.

Accordingly, Shareholders are hereby advised by Smart Extra to particularly note the qualifying requirements for participation in the Scheme before any decision is taken to tender their acceptance of the Offer, if they so wish.

Caution is hereby issued by Smart Extra to Shareholders and prospective investors that the success or failure of the Scheme Proposal is dependent, inter alia, upon:

- (a) compliance/fulfillment in conformity with the requirements as set forth in Sections 166 and 167 of the Companies Ordinance, unless otherwise satisfied and/or waived;
- (b) compliance/fulfillment in conformity with Rule 2.10 of the Takeovers Code, unless otherwise satisfied and/or waived;
- (c) the terms and conditions as modified and/or otherwise imposed by the Court, if any, being acceptable to and accepted by Smart Extra; and
- (d) compliance/fulfillment in conformity with all other terms and conditions, whether conditions precedent or subsequent, unless otherwise satisfied or waived.

Shareholders should take note of the possibility that the Scheme Proposal may lapse whereupon the Scheme Proposal will become null and void *ab initio* and Shareholders shall have no recourse whatsoever and howsoever to Smart Extra and/or Oxford. Furthermore, the Scheme Proposal may or may not be proceeded with, or at all.

Shareholding structure of Oxford

The following table sets out the shareholding structure of Oxford as at the date of this announcement and immediately upon completion of the Scheme Proposal:

	As at the date of this announcement		Upon completion of the Scheme Proposal	
	Number of Shares	%	Number of Shares	%
Smart Extra	60,406,962	89.15	67,760,000	100
MADC	409,400	0.61	—	—
Mr. J. Lee	<u>90,118</u>	<u>0.13</u>	<u>—</u>	<u>—</u>
Sub-total (Note)	60,906,480	89.89	67,760,000	100
Others	<u>6,853,520</u>	<u>10.11</u>	<u>—</u>	<u>—</u>
Total	<u><u>67,760,000</u></u>	<u><u>100.00</u></u>	<u><u>67,760,000</u></u>	<u><u>100</u></u>

Note: This figure represents the aggregate shareholding of Smart Extra and parties presumed to be acting in concert with it.

Save for the Scheme Proposal itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code between Smart Extra or any of its associates (as defined in the Takeovers Code) and any other person.

OVERSEAS SHAREHOLDERS OF OXFORD

As the making of the Offer and/or the Scheme Proposal to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, overseas Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibility of overseas Shareholders who wish to accept the Offer and/or the Scheme Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including, the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction).

INFORMATION ON THE GROUP

The principal activities of the Group are investment holding and property investment.

The following table sets out a summary of the audited consolidated results of the Group for the three financial years ended 31st January, 2002 and the unaudited consolidated results of the Group for the six months ended 31st July, 2002:

	For the six months ended 31st July, 2002	For the financial year ended 31st January,		
		2002	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	34,592	75,552	75,213	66,265
Net profit (loss) attributable to Shareholders	16,629	(11,190)	32,281	24,580

Based on Oxford's annual report for the financial year ended 31st January, 2002, the audited consolidated net asset value of the Group as at 31st January, 2002 was approximately HK\$951 million, representing an audited consolidated net asset value per Share of approximately HK\$14.03 (based on 67,760,000 Shares in issue as at the date of this announcement).

INFORMATION ON SMART EXTRA

Smart Extra is a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. W. Lee. Mr. W. Lee is the sole director of Smart Extra and set out below are brief details of Mr. W. Lee:

Mr. W. Lee, aged 48, has been a director of Oxford since November 1978. He has over 15 years' experience in corporate management and investment.

SCHEME MEETINGS

As at the date of this announcement, Smart Extra held 60,406,962 Shares, representing approximately 89.15% of the Shares in issue as at the date of this announcement. Such Shares held by Smart Extra will not form part of the Scheme Shares and will not be voted at any of the Court Meeting(s) but will be entitled to attend and vote, either in person or by proxy, at the EGM for the purposes of the EGM. Each of MADC and Mr. J. Lee is, by its or his own individual rights, presumed to be a party acting in concert with Smart Extra by virtue of the meanings ascribed to "a party acting in concert" under the Takeovers Code. The votes cast in respect of Mr. J. Lee's Shares at the Court Meeting (or Court Meetings, if applicable), if they are so cast, will not be counted for the purposes of the requirements stipulated under Rule 2.10 of the Takeovers Code. It is Smart Extra's understanding that an application will be made by Oxford to the Executive to establish that the presumption that MADC is, by definition, a party acting in concert with Smart Extra has no application and/or could bear no useful meaning at all and thus could not serve any useful purpose, or at all, in respect of any of the matters in connection with the Scheme and/or the Scheme Proposal. Unless the contrary is established in respect of the foregoing presumption, the votes cast by MADC in respect of its shareholdings in Oxford at the Court Meeting (or Court Meetings, if applicable), if they are so cast, will also not be counted for the purposes of Rule 2.10 of the Takeovers Code.

GENERAL

Shareholders should note that a separate announcement will be issued by Oxford in respect of, inter alia, the Offer, the Scheme Proposal, the formation of the Independent Board and the appointment of the Independent Financial Adviser.

Shareholders are advised not to take any action in connection with the Offer, the Scheme Proposal and/or the Scheme until they have received advice from the Independent Board. Shareholders are also strongly advised to seek independent financial advice.

Pursuant to Rule 8.2 of the Takeovers Code, the offer document setting out details of the Offer, together with the acceptance and transfer forms, should be posted within 21 days of the date of this announcement. With a view to enabling Shareholders to make an informed decision about the Offer as well as the Scheme Proposal at the same time, it is intended that Smart Extra will issue a composite document together with Oxford and that the composite document, in addition to matters privy to the Offer will contain a distinct section on the

Scheme which will contain, inter alia, further details about the Scheme Proposal, the expected timetable, the explanatory statement required under the Companies Ordinance, the recommendation of the Independent Board, a letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of the EGM.

It is the intention of Smart Extra to issue the composite document together with Oxford, if possible and within the above time period. In the event that it becomes impossible or impracticable to do so either within the time as aforesaid or otherwise, say, by reason of accommodating the Court timetable, an offer document confined to the Offer will be issued within 21 days of the date of this announcement and, in accordance with Rule 8.4 of the Takeovers Code, an offeree board circular in respect of the Offer (which shall include, inter alia, details of the Scheme Proposal) shall be issued within 14 days of the posting of the offer document, save and except with the consent of the Executive.

Shareholders and prospective investors should note that a separate announcement will be issued by Oxford in respect of, inter alia, the Offer and/or the Scheme Proposal and they should exercise caution in dealing in the Shares.

It is the firm intention of Smart Extra to privatise Oxford. Accordingly, Smart Extra has had to consider various alternatives and to actively take additional prudent steps, many, if not all, of which were complex at law, which have taken up very considerable time, with a view to ensuring and therefore enhancing the possibility of success in respect of its intended privatisation of Oxford. Accordingly, there has been a delay in the publication of this announcement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise: -

“Acquisition”	the acquisition by Smart Extra during the period from 31st March, 2003 to 11th April, 2003 (both dates inclusive) in respect of a total of 60,406,962 Shares from certain Shareholders, representing approximately 89.15% of the Shares in issue, at an uniform agreed price of HK\$8.00 per Share;
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code;
“Baron Capital”	Baron Capital Limited, a deemed licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), to carry out the regulated activities of dealing in securities, advising on securities, advising on corporate finance and undertaking asset management, is one of the financial advisers to Smart Extra;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);

“Court Meeting”	a meeting of the Independent Shareholders to be convened at the direction of the High Court of Hong Kong at which the Scheme will be voted upon (or any adjournment thereof);
“Disinterested Shares”	means Shares other than those Shares which are owned by Smart Extra or persons acting in concert with it in accordance with Note 6 to Rule 2 of the Takeovers Code. Unless the contrary is established, each of MADC and Mr. J. Lee is presumed to be a party acting in concert with Smart Extra by virtue of the meanings ascribed to “a party acting in concert” under the Takeovers Code;
“EGM”	the extraordinary general meeting of Oxford to be held on the same day as the Court Meeting is held and as soon as possible after the Court Meeting shall have been concluded for the purpose of approving and giving effect to the Scheme (including the cancellation of the Scheme Shares);
“Effective Date”	the day on which the Scheme becomes effective;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Group”	Oxford and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board”	an ad hoc independent committee which will be formed for the purposes of the Offer and the Scheme Proposal;
“Independent Financial Adviser”	independent financial adviser to the Independent Board, which will be appointed by the Independent Board;
“Kim Eng”	Kim Eng Capital (Hong Kong) Limited and Kim Eng Corporate Finance (Hong Kong) Company Limited, both being deemed licensed corporations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), are two of the financial advisers to Smart Extra;
“Kim Eng Securities”	Kim Eng Securities (Hong Kong) Limited, a deemed licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“MADC”	Modern Aspac Development Company Limited, a company incorporated in Hong Kong with limited liability which is an associate company of Oxford and in which Mr. W. Lee is deemed to have a 50% interest, is interested in 409,400 Shares, representing approximately 0.6% of the Shares in issue as at the date of this announcement;
“Mr. J. Lee”	Mr. James Lee, the father of Mr. W. Lee, is interested in 90,118 Shares, representing approximately 0.13% of the Shares in issue as at the date of this announcement;
“Mr. W. Lee”	Mr. Lee William Teh Yee, an executive director of Oxford and the sole director of Smart Extra;
“Offer”	the unconditional cash offer to be extended by Baron Capital and Kim Eng Securities jointly on behalf of Smart Extra for the Shares in issue (other than those already held by Smart Extra) on the terms and conditions set out in this announcement but subject always to the terms and conditions as set out in the composite document to be despatched to Shareholders pursuant to the requirements of the Takeovers Code;
“Oxford”	Oxford Properties & Finance Limited, a company with limited liability duly incorporated and existing under the laws of Hong Kong, the Shares of which are listed on the Stock Exchange;
“Pre-Announcement Date”	31st March, 2003 (being the last day of trading of the Shares on the Stock Exchange prior to the date of this announcement);
“record date”	the business day immediately preceding the Effective Date;
“Scheme”	a scheme of arrangement under Section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares;
“Scheme Conditions”	the conditions to which the Scheme Proposal is subject, which are set out in the paragraph headed “Conditions of the Scheme Proposal” under the section headed “Scheme of Arrangement” in this announcement;
“Scheme Proposal”	the proposal for the privatisation of Oxford by Smart Extra by way of the Scheme;
“Scheme Shareholder(s)”	Shareholders other than Smart Extra;
“Scheme Shares”	Shares held by the Scheme Shareholders;

“Share(s)”	ordinary shares of HK\$1.00 each in the capital of Oxford;
“Shareholders”	holders of Shares;
“Smart Extra”	Smart Extra Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. W. Lee;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“ William Group”	two private companies controlled by and beneficially owned as to 91% and 51%, respectively, by Mr. W. Lee, which together have a 50% interest in MADC.

By order of the Board of
Smart Extra Holdings Limited
Lee William Teh Yee
Sole Director

Hong Kong, 21st May, 2003

The sole director of Smart Extra accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to Oxford) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions (other than those relating Oxford) expressed in this announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to Oxford) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The information on Oxford in this announcement has been taken from the published interim report and annual report of Oxford and from other public sources. The sole director of Smart Extra takes full responsibility for ensuring such information has been accurately reproduced.

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