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If you have sold or otherwise transferred all your shares in Oxford Properties & Finance Limited, you should at once hand this document and the accompanying form of acceptance and transfer to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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SMART EXTRA HOLDINGS LIMITED

(incorporated in the British Virgin Islands with limited liability)

AN UNCONDITIONAL MANDATORY CASH GENERAL OFFER MADE THROUGH ITS AGENTS



Baron Capital Limited

AND

KIM ENG
SECURITIES

KIM ENG SECURITIES (HONG KONG) LIMITED

BY

SMART EXTRA HOLDINGS LIMITED

IN RESPECT OF

OXFORD PROPERTIES & FINANCE LIMITED

A letter from Baron Capital Limited and Kim Eng Securities (Hong Kong) Limited containing, inter alia, details of the terms of the Offer (as defined herein) is set out on pages 6 to 14 of this document.

The procedures for acceptance and settlement of the Offer are set out on pages 15 to 17 in Appendix I to this document and in the accompanying form of acceptance and transfer. Acceptances of the Offer must be received by the Registrars (as defined herein) by no later than 4:00 p.m. on the Closing Date (as defined herein) (or such later time and/or date as may be announced by Smart Extra Holdings Limited).

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DEFINITIONS

In this document, the following expressions shall have the meanings respectively set opposite them unless the context otherwise requires:

“Acquisition”	the acquisition by Smart Extra from certain Shareholders during the period from 31st March, 2003 to 11th April, 2003 (both dates inclusive) in respect of a total of 60,406,962 Shares, which represented approximately 89.15% of the Shares in issue as at the Latest Practicable Date, at an uniform agreed price of HK\$8.00 per Share
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement dated 21st May, 2003 issued by Smart Extra relating to the Offer and the Scheme Proposal and published in The Standard and the Hong Kong Economic Journal on 22nd May, 2003
“Announcement Date”	21st May, 2003, being the date of the Announcement
“Baron Capital”	Baron Capital Limited, a deemed licensed corporation under the SFO, is one of the financial advisers to Smart Extra
“Cancellation Price”	the proposed cancellation price of HK\$15.00 per Share which will be payable by Smart Extra to the Scheme Shareholders, in the event that the Scheme becomes effective
“Closing Date”	the closing date of the Offer, the details of which are set out in Note 1 on page 5 of this document
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Court Meeting”	the meeting of the Disinterested Shareholders to be convened at the direction of the High Court for the approval of the Scheme
“Disinterested Shareholder(s)”	holder(s) of the Disinterested Shares
“Disinterested Shares”	Shares other than those which are owned by Smart Extra and 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 meaning ascribed to “a party acting in concert” under the Takeovers Code

DEFINITIONS

“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)
“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
“High Court”	the High Court of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an ad hoc independent board committee of Oxford to be formed for the purposes of the Offer and the Scheme Proposal
“Independent Financial Advisers”	Shenyin Wanguo Capital (H.K.) Limited, the independent financial advisers to the Independent Board Committee in connection with the Offer and the Scheme Proposal
“Kim Eng”	Kim Eng Capital (Hong Kong) Limited and Kim Eng Corporate Finance (Hong Kong) Company Limited, both being deemed licensed corporations under the SFO, are two of the financial advisers to Smart Extra
“Kim Eng Securities”	Kim Eng Securities (Hong Kong) Limited, a deemed licensed corporation under the SFO
“Latest Practicable Date”	13th June, 2003, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“Listing”	the listing of the Shares on the Stock Exchange
“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 associated company of Oxford and in which Mr. W. Lee is deemed to have a 50% interest, which was interested in 409,400 Shares, representing approximately 0.6% of the Shares in issue as at the Latest Practicable Date

DEFINITIONS

“Meeting(s)”	the Court Meeting and the EGM or either of them, as the case may be
“Mr. J. Lee”	Mr. James Lee, the father of Mr. W. Lee, who was interested in 90,118 Shares, representing approximately 0.13% of the Shares in issue as at the Latest Practicable Date
“Mr. W. Lee”	Mr. Lee William Teh Yee, an executive director of Oxford and the sole director of Smart Extra
“Offer”	the unconditional mandatory cash offer extended by Baron Capital and Kim Eng Securities jointly on behalf of Smart Extra for all the Shares in issue (other than those already owned by Smart Extra) on the terms and conditions set out in this document and the accompanying form of acceptance and transfer
“Offeree Document”	the response offeree board document containing recommendation of the Independent Board Committee and the advice of the Independent Financial Advisers to the Independent Board Committee in respect of the Offer to be issued by the Company to Qualifying Shareholders in accordance with the provisions of the Takeovers Code, which is expected to be despatched within 14 days of the posting of this document
“Oxford” or “Company”	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 Main Board of 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 Announcement Date)
“Qualifying Shareholders”	Shareholders other than Smart Extra but including MADC and Mr. J. Lee
“Register”	the register of members of the Company
“Registrars”	the share registrars of the Company, Sums Limited, whose address is situate at 1601 Wing On Centre, 111 Connaught Road Central, Hong Kong
“Scheme”	a proposed scheme of arrangement between Oxford and Shareholders or any class of them under Section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares

DEFINITIONS

“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 but including MADC and Mr. J. Lee
“Scheme Shares”	Shares held by the Scheme Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary shares of HK\$1.00 each in the capital of Oxford
“Shareholders”	holders of Shares
“Smart Extra” or “Offeror”	Smart Extra Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially 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
“trading day”	a day on which the Stock Exchange is open for trading in securities
“William Group”	General Clothing Group (Mfr.) Ltd. and Solid Capital Investment Company Ltd., which are controlled by and beneficially owned as to 91% and approximately 51%, respectively, by Mr. W. Lee, which together have a 50% interest in MADC. Insofar as Smart Extra is aware, Mr. J. Lee, Ms. Lee An Fen (the sister of Mr. W. Lee) and Gyna Incorporated own the remaining 9% interest in General Clothing Group (Mfr.) Ltd. while Alihs Corporation S.A. and Mr. J. Lee own the remaining interest of approximately 49% in Solid Capital Investment Company Ltd.
“%”	per cent.

EXPECTED TIMETABLE

2003

Opening date of the Offer	17th June
Latest date for posting of the Offeree Document (<i>Note 1</i>)	2nd July
Latest time and date for receiving acceptance of the Offer (<i>Note 1</i>)	4:00 p.m. on 16th July
Closing date of the Offer (<i>Note 1</i>)	16th July
Teletext announcement in respect of the closing of the Offer and results of the Offer through the Stock Exchange	7:00 p.m. on 16th July
Announcement in respect of the closing of the Offer and results of the Offer to appear in newspapers on	17th July
Latest date for the despatch of remittances in respect of valid acceptances received under the Offer (<i>Note 2</i>)	25th July

Notes:

1. In accordance with the requirements of Rule 8.4 of the Takeovers Code, Oxford is required to post the Offeree Document to the Qualifying Shareholders within 14 days of the posting of this document (unless the Executive and Smart Extra consent to a later date).

Under the Takeovers Code, where the Offeree Document is posted after the date on which this document is posted, the Offer must be open for acceptance for at least 28 days following the date on which this document is posted. The closing date shall be 16th July, 2003. In the event that there is any delay in the posting of the Offeree Document (which is posted more than 14 days after the posting of this document and with the consent of the Executive and Smart Extra), the Offer will remain open for 14 days following the date on which the Offeree Document is posted and be closed on that 14th day.

Smart Extra reserves the right to revise and/or to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offer is to be extended or revised or both, Smart Extra will issue a press announcement which will state either the next closing date of the Offer or that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to those Qualifying Shareholders who have not accepted the Offer.

2. Remittances in respect of valid acceptances will be despatched to the Qualifying Shareholders who have accepted the Offer by ordinary post as soon as possible but in any event within 10 days after the receipt of duly completed acceptances by the Registrars.



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29 Queen's Road Central
Central, Hong Kong

KIM ENG
SECURITIES

Kim Eng Securities (Hong Kong) Limited
Room 1901, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

17th June, 2003

To Shareholders (other than Smart Extra)

Dear Sir or Madam,

**An unconditional mandatory cash general offer (made through its agents
Baron Capital Limited and Kim Eng Securities (Hong Kong) Limited)
by
Smart Extra Holdings Limited
in respect of
OXFORD PROPERTIES & FINANCE LIMITED**

INTRODUCTION

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 Latest Practicable Date. In accordance with the requirements of Rule 26 of the Takeovers Code, Smart Extra hereby extends the Offer to holders of equity share capital of Oxford for all the issued Shares (other than those Shares already owned by Smart Extra).

Reference is made to the Announcement which mentioned also the Scheme Proposal. Further information regarding the Scheme Proposal can be found in the section headed "Scheme Proposal" below.

The purpose of this document is to provide you with, inter alia, information relating to the Offer. The principal terms of the Offer are set out in this letter. Further terms of the Offer and other information required by the Takeovers Code to be disclosed by the Offer are set out in Appendices I and II of this document and the accompanying form of acceptance and transfer.

Instructions on how to accept the Offer are set out in Appendix I to this document and in the accompanying form of acceptance and transfer. The form of acceptance and transfer should be completed, signed and returned so as to be received by the Registrars no later than 4:00 p.m. on the Closing Date (or such later time and/or date as may be announced by the Offeror).

LETTER FROM BARON CAPITAL AND KIM ENG SECURITIES

Under the Takeovers Code, the Offeree Document which will contain, inter alia, a letter from the Independent Board Committee formed to advise you on the Offer and a letter of advice from the Independent Financial Advisers appointed to advise the Independent Board Committee in respect of the Offer, will be sent to you as soon as practicable, and in any event, no later than 14 days from the date of this document (unless the consent of the Executive and Smart Extra has been obtained). You are strongly advised to read the Offeree Document before deciding whether or not to accept the Offer.

In the event that Oxford puts forward the Scheme to the Scheme Shareholders, Oxford will be required to issue a document to provide the Scheme Shareholders with, *inter alia*, details of the Scheme, the expected timetable, the explanatory statement required under the Companies Ordinance, and to give to Shareholders notices of the Court Meeting and EGM.

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 Qualifying Shareholders an unconditional cash offer for all the issued Shares (other than those already owned by Smart Extra) at the price of HK\$9.00 per Share on the terms set out in this document and the accompanying form of acceptance and transfer pursuant to Rule 26.1 of the Takeovers Code.

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 or MADC (unless the presumed concert party relationship between MADC and Smart Extra is rebutted), 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 associated 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 held through Oxford in MADC in respect of the Offer and the Scheme Proposal, 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/its decisions as to whether or not to accept the Offer and/or to support the Scheme Proposal.

Save and except for the Acquisition, neither Smart Extra, Mr. W. Lee nor any parties acting in concert with any of them has purchased Shares at any time during the six months prior to the Announcement Date.

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 and the Latest Practicable Date (*Note*);

LETTER FROM BARON CAPITAL AND KIM ENG SECURITIES

- 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; and
- a discount of approximately 21.05% to the audited consolidated net asset value per Share of approximately HK\$11.40 as at 31st January, 2003.

Note: As the Shares were suspended from trading on the Stock Exchange on the Latest Practicable Date, accordingly, the comparison of the Offer price of HK\$9.00 per Share with the closing price per Share on the Latest Practicable Date has been calculated solely for illustration purposes using the closing price per Share on the Pre-Announcement Date (i.e. HK\$9.40).

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

Further terms of the Offer, including the procedures for acceptance, are set out in Appendix I to this document and in the accompanying form of acceptance and transfer.

Total consideration

Should all Qualifying Shareholders 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.

Smart Extra has confirmed to Kim Eng and Baron Capital that there are sufficient financial resources available to it from internal resources as provided by its sole shareholder, Mr. W. Lee.

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 the right to receive all dividends and distributions declared, made or paid on or after the Announcement Date, free from all liens, charges and/or encumbrances, legal or otherwise. **Shareholders should note the information contained in the section headed “Important notice” below.** Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. (Please refer to the paragraph headed “No right of withdrawal” in Appendix I to this document for details.)

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 the Qualifying Shareholders who have accepted 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 annual report of Oxford for the financial year ended 31st January, 2003, Oxford does not have any 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 Qualifying Shareholders less the relevant stamp duty will be paid within ten days of the date of receipt by the Registrars of duly completed valid form(s) of acceptance and transfer, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, and/or any satisfactory indemnity or indemnification required in respect thereof to render acceptance of the Offer complete and valid.

Acceptance and settlement

(a) Procedures for acceptance of the Offer

To accept the Offer, Qualifying Shareholders should complete the accompanying form of acceptance and transfer in accordance with the instructions printed thereon. These instructions form part of the terms and conditions of the Offer.

The completed form(s) of acceptance and transfer should then be forwarded, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof, for not less than the number of Shares in respect of which each of the Qualifying Shareholders intends to accept the Offer, by post or by hand, to the Registrars, **Sums Limited, at 1601, Wing On Centre, 111 Connaught Road Central, Hong Kong, marked “Oxford Offer” on the envelope, as soon as practicable after receipt of the form(s) of acceptance and transfer but in any event, so as to reach the Registrars by no later than 4:00 p.m. on the Closing Date, or such later time and/or date as may be announced by the Offeror and which is in compliance with the Takeovers Code.**

(b) Settlement of the Offer

- (i) Provided that the relevant form(s) of acceptance and transfer and share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Registrars to render acceptance of the Offer by not later than 4:00 p.m. on the Closing Date, a cheque for the cash amount due to each of the Qualifying Shareholder who has accepted the Offer, less seller’s ad valorem stamp duty payable in respect of the Shares rendered by such a Qualifying Shareholder, will be despatched to the person named in the form of acceptance and transfer at the address stated on such form or, if no such name and address is stated on such form, to the first-named registered holder of the relevant Shares (in the case of joint registered Shareholders) or the sole registered Shareholder at the registered address shown in the Register.

Except with the consent of the Executive, settlement of the consideration to which any Qualifying Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Smart Extra may otherwise be, or claim to be, entitled against such a Qualifying Shareholder.

- (ii) The attention of Shareholders not resident in Hong Kong is drawn to the section headed “Overseas Shareholders” as set out below.

FURTHER TERMS OF THE OFFER

Further terms of the Offer, including the procedure for acceptance, the acceptance period and revisions of the Offer, are set out in Appendix I to this document and the accompanying form of acceptance and transfer.

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, 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 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. Reference is made to the discussions on page 7 of this document for additional information regarding 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 Latest Practicable Date, 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 in the Announcement. (Please refer

to the paragraph headed “Disclosure of interests” in Appendix II to this document for further information on details of such Disinterested Shareholders and their aggregate shareholdings and dealings in Oxford.) 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. 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.

THE SCHEME PROPOSAL

On 6th May, 2003, Smart Extra requested Oxford to put forward a proposal for the privatisation of Oxford by Smart Extra to the Scheme Shareholders. Such proposal involves the cancellation of all the Shares other than those beneficially owned by Smart Extra pursuant to a scheme of arrangement between Oxford and Shareholders or any class of them under Section 166 of the Companies Ordinance and the payment to each Scheme Shareholder who is eligible to participate in the Scheme a Cancellation Price of HK\$15.00 per Scheme Share, in the event that the Scheme becomes effective. In response thereto, Oxford, acting on the advice of its Senior Counsel, requested that an undertaking be provided by Smart Extra (1) to hold Oxford and its directors (whether jointly or severally, personally, collectively or otherwise) harmless concerning all matters (inclusive of negligence and wilful default) in respect of, arising out of, in connection with and/or incidental to Oxford putting forward the Scheme for and on Smart Extra’s behalf; and (2) to promptly indemnify and keep Oxford and its directors (whether jointly or severally, personally, collectively or otherwise) indemnified; and (3) to keep Oxford in funds at all times for the purpose of defraying all costs, expenses or otherwise, incurred and/or expended howsoever and whatsoever by Oxford in all respects pertaining to the Scheme.

Cancellation Price

The proposed Cancellation Price 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 and the Latest Practicable Date (*Note*);
- 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; and
- a premium of approximately 31.58% over the audited consolidated net asset value per Share of approximately HK\$11.40 as at 31st January, 2003.

Note: As the Shares were suspended from trading on the Stock Exchange on the Latest Practicable Date, accordingly, the comparison of the proposed Cancellation Price of HK\$15.00 per Scheme Share with the closing price per Share on the Latest Practicable Date has been calculated solely for illustration purposes using the closing price per Share on the Pre-Announcement Date (i.e. HK\$9.40).

The proposed 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. 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 implement the Scheme in full.

Withdrawal of the Listing

On the successful privatisation of Oxford by way of the Scheme, it is the intention of Smart Extra that an application be made to withdraw the Listing on the Stock Exchange. In the event that such an application is made, a further announcement will be made to advise the Qualifying Shareholders of the date on which the withdrawal of the Listing on the Stock Exchange will become effective.

REASONS FOR THE MAKING OF THE OFFER AND THE SCHEME PROPOSAL

Smart Extra is aware of the complaints which have been made from time to time by certain Shareholders, in respect of the comparatively thin liquidity of the Shares in the last year. Under the auspices of the Stock Exchange, Oxford has made a number of attempts and/or arrangements with a view to improving the public float of the Shares in an orderly manner through the facilities of the Stock Exchange and in this respect, reference is made to Oxford's announcement published in the newspapers dated 25th October, 2002. Notwithstanding the fact that implementation of the said arrangements was on a daily and continuous basis from 25th October, 2002 to the close of business on the Pre-Announcement Date, trading of the Shares continued to be thin, with an average daily trading volume of 10,700 Shares, representing approximately 0.016% of the entire issued equity share capital of Oxford, for the six months immediately prior to and including the Pre-Announcement Date. Having taken into consideration the aforesaid and the general market sentiment toward companies in similar, if not identical, lines of business as those of Oxford, and whose shares are listed on the Stock Exchange, and coupled with the fact that there is no clear prospect of improvement in the trading volume thereof in the foreseeable future, or otherwise, or at all, Smart Extra was and still is apprehensive of the situation as such. In the circumstances, Smart Extra was, and still is, of the view that it would be opportune to put forward a motion to Shareholders for their consideration to privatise Oxford, as it considered and still considers such to be beneficial to Shareholders. Therefore, Mr. W. Lee, through Smart Extra, acquired 60,406,962 Shares, representing approximately 89.15% of the Shares in issue as at the Latest Practicable Date, and consequentially, Smart Extra (a) extends the Offer through Baron Capital and Kim Eng Securities to the Qualifying Shareholders; and b) has requested Oxford to put forward the Scheme Proposal, with the intention to privatise Oxford. The Offer would remain open for acceptance and Smart Extra intends that, if Oxford accedes to its request, the Scheme Proposal would be put forward in accordance with the timetable requirements of the Takeovers Code and/or applicable laws (as the case may be) so as to give Shareholders the opportunity to make an informed decision as to whether or not to realise their respective investment in Oxford.

INTENTIONS OF SMART EXTRA REGARDING OXFORD AND ITS EMPLOYEES

Smart Extra intends to maintain the existing business and does not intend to introduce any major changes in the business of the Group, including any redeployment of the fixed assets of the Group, upon completion of the Offer and/or the Scheme Proposal.

It is also the intention of Smart Extra that there will be no significant change in the continued employment of the employees of the Group as a result of completion of the Offer and/or the Scheme Proposal.

IMPORTANT NOTICE

Pursuant to Rule 8.4 of the Takeovers Code, Oxford is required to send to the Qualifying Shareholders, within 14 days of the posting of this document, the Offeree Document, unless the consent of the Executive and Smart Extra is obtained.

Under the Takeovers Code, where the Offeree Document is posted after the date on which this document is posted, the Offer must be open for acceptance for at least 28 days following the date on which this document is posted. The closing date shall be 16th July, 2003. In the event that there is any delay in the posting of the Offeree Document (which is posted more than 14 days after the posting of this document and with the consent of the Executive and Smart Extra), the Offer will remain open for 14 days following the date on which the Offeree Document is posted and be closed on that 14th day.

Smart Extra reserves the right to revise or to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offer is to be extended or revised or both, Smart Extra will issue a press announcement which will state either the next closing date of the Offer or that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to those Qualifying Shareholders who have not accepted the Offer.

In the event that Oxford puts forward the proposed Scheme to the Scheme Shareholders, any Shareholder who has validly tendered his/her/its Shares for acceptance under the Offer before the closure of the Register for the purposes of the Scheme will not be a holder of the equity share capital of Oxford and, accordingly, he/she/it will not be eligible to avail himself/herself/itself 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 foregoing before any decision is taken to tender their acceptance of the Offer, if they so wish.

Shareholders should take note of the possibility that the Scheme Proposal may or may not be put forward by Oxford or it 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.

In view of the foregoing, Shareholders and prospective investors shall exercise caution in dealing in the Shares.

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.

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

OVERSEAS SHAREHOLDERS

As the making of the Offer 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 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).

TAXATION

Shareholders (other than Smart Extra) are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offer. It is emphasised that none of Smart Extra, Baron Capital and Kim Eng Securities or any of their respective directors or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Offer.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices which form part of this document.

Yours faithfully,
for and on behalf of

Baron Capital Limited

Michael Sze **Thomas Chiu**
Vice Chairman *Managing Director*

Kim Eng Securities (Hong Kong) Limited

Derek Wong
Director

1. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the form of acceptance and transfer duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrars.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of the title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or some name other than your own, and you wish to accept the Offer, you must either:
- (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the form of acceptance and transfer duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrars; or
 - (ii) arrange for the Shares to be registered in your name by Oxford through the Registrars and send the form of acceptance and transfer duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) to the Registrars.
- (c) If you have lodged (a) transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s) and you wish to accept the Offer, you should nevertheless complete the form of acceptance and transfer and deliver it to the Registrars together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be irrevocable authority to Smart Extra and/or Baron Capital and Kim Eng Securities and/or their respective agent(s) to collect from Oxford or the Registrars on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Registrars and to authorise and instruct the Registrars to hold such certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrars together with the form of acceptance and transfer.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or, any other document(s) or title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not readily available and/or is/are lost and you wish to accept the Offer, the form of acceptance and transfer should nevertheless be completed and delivered to the Registrars together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other documents of title or that it/they is/are not readily available. If you find such document(s) or if it/they becomes/become available, the relevant Share

certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrars as soon as possible thereafter. If you have lost your Share certificate(s), you should also write to the Registrars for a form of letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrars.

- (e) If your Shares have been lodged with your Investor Participant Account with CCASS, authorise your instruction via the CCASS Phone System not later than one business day before the Closing Date by the Registrars.
- (f) No acknowledgement of receipt of any form(s) of acceptance and transfer, Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD, REVISIONS AND EXTENSIONS

Although Smart Extra does not intend to extend or revise the Offer, they reserve the right to do so after the despatch of this document, either in the terms and conditions or in the value or nature of the consideration offered or otherwise in accordance with the relevant provisions of the Takeovers Code.

Reference is made to the Offer timetable set out on page 5 of this document.

The benefit of any revision of the Offer will be available to any Qualifying Shareholder who has previously accepted the Offer. The execution by or on behalf of any Qualifying Shareholder, who has previously accepted the Offer by properly completing, duly completing and delivering a form of acceptance and transfer to the Registrars, of a form of acceptance and transfer shall be deemed to constitute acceptance of the revised Offer unless such Qualifying Shareholder becomes entitled to withdraw his or her acceptance and duly does so.

3. NO RIGHT OF WITHDRAWAL

Acceptances of the Offer will be irrevocable and cannot be withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if Smart Extra is unable to comply with any of the requirements for making announcements under Rule 19 of the Takeovers Code relating to the Offer, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive). A further announcement will be made by Smart Extra if any such right of withdrawal (as described in this paragraph) is available to the Qualifying Shareholders.

4. ANNOUNCEMENTS

By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, Smart Extra must inform the Executive, the Stock Exchange and Oxford of its decision in relation to the revision, extension or expiry of the Offer. Smart Extra must publish a teletext announcement through the Stock Exchange by 7:00 p.m. on the Closing Date stating whether

the Offer has been revised, extended or has expired. A draft of such teletext announcement must be submitted to the Executive and the Stock Exchange by 6:00 p.m. for clearance. Such announcement must be republished in accordance with Rule 12.2 of the Takeovers Code (i.e. as a paid announcement in at least one leading English language newspaper and one leading Chinese language newspaper published daily and circulating generally in Hong Kong) on the next business day thereafter and must state the total number of Shares and rights over Shares:

- (a) for which acceptances of the Offer have been received;
- (b) held, controlled or directed by Smart Extra or persons acting in concert with it before the Offer period; and
- (c) acquired or agreed to be acquired during the Offer period by Smart Extra or any persons acting in concert with it.

The announcement must include the details of voting rights, rights over shares, derivatives and arrangements as required in Rule 3.5(c), (d) and (f) of the Takeovers Code. The announcement must also specify the percentages of the relevant classes of share capital, and the percentages of voting rights, represented by these numbers.

Copies of all documents must be delivered to the Executive and the Stock Exchange (Listing Division) in electronic form, in accordance with their requirements from time to time, for publication on their respective websites.

5. GENERAL

- (a) All communications, notices, form(s) of acceptance and transfer and/or share certificate(s), transfer receipt(s), and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the accepting Qualifying Shareholders will be delivered by or sent to or from them, or their designated agents, at their own risks, and none of Smart Extra, Baron Capital, Kim Eng Securities, the Registrars and any of their respective agents accept(s) any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying form of acceptance and transfer form part of the terms of the Offer.
- (c) The accidental omission to despatch this document and/or the form of acceptance and transfer, any related documents or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Reference to the Offer, in this document and in the accompanying form of acceptance and transfer, shall include any extension and/or revision thereof.

1. RESPONSIBILITY STATEMENT

The issue of this document has been approved by the sole director of Smart Extra, who accepts full responsibility for the accuracy of the information contained in this document (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 document 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 document, the omission of which would make any statement in this document misleading.

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

2. MARKET PRICES

The table below shows the respective closing prices of the Shares on the Stock Exchange (i) on the last trading day of each of the six calendar months prior to the Pre-Announcement Date; and (ii) on the Latest Practicable Date.

Date	Closing Price per Share HK\$
31st October, 2002	8.10
29th November, 2002	6.30
31st December, 2002	8.30
30th January, 2003	7.40
28th February, 2003	8.80
31st March, 2003	9.40
30th April, 2003	suspended in April
31st May, 2003	suspended in May
Latest Practicable Date	suspended from 1st June, 2003 and up to the Latest Practicable Date

The lowest and highest closing prices per Share recorded on the Stock Exchange during the period from 1st October, 2002, being the date six months prior to the Pre-Announcement Date, to the Latest Practicable Date were respectively HK\$5.90 on both 20th and 21st November, 2002 and HK\$10.80 on 28th October, 2002.

3. DISCLOSURE OF INTERESTS

For the purpose of this paragraph headed “Disclosure of Interests” in this Appendix, the “Disclosure Period” means the period beginning from the date six months prior to the Pre-Announcement Date and ending on the Latest Practicable Date (both dates inclusive) and “interested” and “interests” have the meanings respectively ascribed thereto in Part XV of the SFO.

(a) Holdings, interests and dealings in the Shares

As at the Latest Practicable Date, Mr. W. Lee (through Smart Extra) was beneficially interested in 60,406,962 Shares and save for the Acquisition, the interest in Oxford of each of the persons acting in concert with Smart Extra and their respective dealings in the Shares as set out below and the information as disclosed in paragraph 4 of this Appendix:

- (i) Smart Extra had not dealt in any Shares during the Disclosure Period;
- (ii) Mr. W. Lee, the sole director of Smart Extra, was not interested in any Shares (other than the 33,000 Shares in which he was personally interested prior to their transfer to Smart Extra as part of the Acquisition) nor had he dealt in any Shares (other than the transfer of 33,000 Shares at HK\$8.00 each in which he was personally interested to Smart Extra as part of the Acquisition) during the Disclosure Period;
- (iii) no person acting in concert with Smart Extra or Mr. W. Lee owned or controlled any Shares or had dealt in any Shares during the Disclosure Period, save for (a) MADC which was interested in 409,400 Shares; (b) Mr. J. Lee who was interested in 90,118 Shares; (c) the transfer of 33,000 Shares by Mr. W. Lee to Smart Extra as part of the Acquisition as stated in (ii) above; (d) Precise Dragon Developments Limited (a company which was previously owned by Mr. Lee Sew Yen, the brother of Mr. W. Lee, and which was beneficially owned by Smart Extra as at the Latest Practicable Date as a result of the Acquisition) acquired from certain Shareholders 14,376,000 Shares at an uniform agreed price of HK\$8.00 per Share on 31st March, 2003, which Shares comprise part of the Shares in which Smart Extra became interested by virtue of the Acquisition; and (e) the disposal of Shares by MADC, details of which are set out below:

Settlement date	Number of Shares sold	Price per Share (HK\$)
30th October, 2002	90,000	6.0
23rd December, 2002	10,000	8.3
23rd December, 2002	10,000	8.5
19th February, 2003	2,000	8.8
20th February, 2003	2,000	8.4
20th February, 2003	4,000	8.5
25th February, 2003	2,000	8.4
25th February, 2003	2,000	8.8

- (iv) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between any person and Smart Extra or Mr. W. Lee or any person acting in concert with Smart Extra or Mr. W. Lee or any person who is an associate of Smart Extra or Mr. W. Lee by virtue of classes (1), (2), (3) or (4) of the definition of “associate” under the Takeovers Code.

(b) General

As at the Latest Practicable Date:

- (i) no benefit was or would have been paid to any director of Oxford as compensation for loss of office or otherwise in connection with the Offer;
- (ii) save for the irrevocable undertakings as disclosed in paragraph 4 below, no agreement, arrangement or understanding, including any compensation arrangement, existed between Smart Extra or Mr. W. Lee or any person acting in concert with Smart Extra or Mr. W. Lee and any of the directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the Offer;
- (iii) no agreement, arrangement or understanding (including compensation arrangement) exists between Smart Extra and any other person for the transfer of the beneficial interests in Shares acquired by the Smart Extra under the Offer; and
- (iv) Smart Extra does not have any intention to transfer any Shares acquired pursuant to the Offer to any other person.

4. DISINTERESTED SHAREHOLDERS' UNDERTAKINGS AND DEALINGS IN THE SHARES (THE FOLLOWING INFORMATION HAS BEEN DERIVED FROM THE CONFIRMATIONS RECEIVED FROM THE 16 DISINTERESTED SHAREHOLDERS AT THE LATEST PRACTICABLE DATE)

Up to the Latest Practicable Date, 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 in the Announcement. 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.

During the Disclosure Period, a total of 46,000 Shares were bought, with the purchase prices ranging from HK\$7.60 to HK\$9.50 per Share, and a total of 20,000 Shares were sold, with the selling prices ranging from HK\$7.40 to HK\$10.25 per Share, by the said 16 Disinterested Shareholders.

Save as disclosed above, no person had irrevocably committed themselves to accept or reject the Offer and the said 16 Disinterested Shareholders had not dealt in any Shares during the Disclosure Period.

5. MISCELLANEOUS

- (a) The registered office of Smart Extra is situate at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands and the address of Mr. W. Lee is at 5-46-16-101 Jingumae, Shibuyaku, Tokyo, Japan.

- (b) The ultimate controlling shareholder and sole director of Smart Extra is Mr. W. Lee.
- (c) The registered offices of Kim Eng and Kim Eng Securities are both situate at Room 1901, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong and the registered office of Baron Capital is situate at 4th Floor, Aon China Building, 29 Queen's Road Central, Central, Hong Kong.
- (d) The English text of this document and the form of acceptance and transfer shall prevail over the Chinese text for the purpose of interpretation.

6. EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualifications
Kim Eng Securities	a deemed licensed corporation under the SFO
Kim Eng	a deemed licensed corporation under the SFO
Baron Capital	a deemed licensed corporation under the SFO

7. CONSENTS

Kim Eng Securities, Kim Eng and Baron Capital have given and have not withdrawn their respective written consents to the issue of this document with the inclusion therein of their opinions or letters, as the case may be, and the references to their names, opinions or letters in the form and context in which they respectively appear.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of Baker & McKenzie at 14th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, during normal business hours on any weekday (public holidays excepted) while the Offer remains open:

- (a) the memorandum and articles of association of Smart Extra;
- (b) the letter from Baron Capital and Kim Eng Securities, the text of which is set out on pages 6 to 14 of this document;
- (c) the letters of consent referred to in this Appendix; and
- (d) the letters of irrevocable undertaking executed by 16 Disinterested Shareholders, all dated 21st May, 2003, confirming, inter alia, that they will not accept the Offer in respect of any of the Shares held by them.