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# 晉利地產金融有限公司 OXFORD PROPERTIES & FINANCE LIMITED

*(a company with limited liability incorporated and existing under the laws of Hong Kong)*

## MANDATORY UNCONDITIONAL CASH OFFER AND PROPOSED PRIVATISATION OF OXFORD PROPERTIES & FINANCE LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 166 OF THE COMPANIES ORDINANCE) AND DELAY IN DESPATCH OF THE COMPOSITE DOCUMENT

Reference is made to the Announcement.

By the Announcement, Smart Extra has announced its firm intention to extend an offer, on the basis of Rule 26 of the Takeovers Code, to the holders of equity share capital of Oxford and has at the same time announced its firm intention to privatise Oxford by way of a scheme of arrangement pursuant to section 166 of the Companies Ordinance.

### THE OFFER

In advancing its announced firm intention as aforesaid, Smart Extra did extend the Offer to the holders of equity share capital of Oxford by way of causing the despatch of an Offer Document dated 17 June 2003 to the holders of equity share capital of Oxford.

### APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISERS

The board of directors of Oxford hereby announces that:

1. an Independent Board Committee has been established to advise Independent Shareholders as to whether the Offer and the Scheme are both considered fair and reasonable; and
2. Independent Financial Advisers, namely Shenyin Wanguo Capital (HK) Limited, have been appointed to advise the Independent Board Committee on the Offer and the Scheme.

### THE SCHEME PROPOSAL

The board of directors of Oxford (the "Board") is pleased to inform Shareholders that the Board has agreed, subject to Shareholders' approval in a general meeting, to the privatisation of Oxford by way of the Scheme Proposal as it appeared to be beneficial to Oxford and its Shareholders as a whole (reference is made to the Offer Document as to the reasons for Smart Extra making the Scheme Proposal) and has further agreed to accede to the request of Smart Extra to put forward the Scheme Proposal to Shareholders by way of a scheme of arrangement under section 166 of the Companies Ordinance.

Under the Scheme Proposal, all Scheme Shares, in the event that the Scheme becomes effective, will be cancelled in exchange for HK\$15.00 in cash for each Scheme Share.

As at the date of this announcement, there were 67,760,000 Shares in issue. Based on the information provided by Smart Extra, a total of 49,834 Shares have been tendered for acceptance under the Offer up to the date of this announcement. Taking into account the above information and the 60,406,962 Shares held by Smart Extra as at the date of the Offer Document, the Scheme Shareholders were interested in 7,303,204 Shares at the date of this announcement. It should be noted that the Offer will remain open for acceptance for 14 days after the posting of the Composite Document (as defined hereinafter) and be closed on that 14th day. Accordingly, the formulation of the Scheme cannot be finalised until after the Offer is closed and Smart Extra will have paid for all the duly accepted Shares tendered for acceptance so that the number of Scheme Shares can be ascertained. When the proposed Scheme has been formulated, the first

step is an application (either by way of an *ex parte* or *inter partes* Originating Summons pursuant to Order 102, Rule 5(2) of the Rules of the High Court (HK)) to the Court by Oxford for the Court to order meetings, of the members of the classes of members, to be summoned. Oxford and Smart Extra, subject to further legal advice to be obtained from Senior Counsel, are of the unanimous view that the application should be made *inter partes*. Such an application, on an *inter partes* basis, will be made by Oxford upon commencement of the proceedings. Further information regarding the Scheme Proposal, including, *inter alia*, the said application, will be included in the Composite Document.

The Board wishes to hereby draw to the particular attention of the Scheme Shareholders that:

1. the meeting of members or class meetings of members of Oxford to be summoned, in the manner as the Court shall have directed pursuant to section 166 of the Companies Ordinance and any adjournment thereof, if any, in respect of the approval of the Scheme, shall be meetings of members or meetings of classes of members of Oxford (either in person or by proxy); and
2. in consideration of the cancellation of the Scheme Shares, Smart Extra shall, pursuant to the Scheme Proposal, pay to the persons who at the close of business on the business day immediately preceding the day on which the Scheme becomes effective (the "record date") are the holders of the Shares cancelled as aforesaid the sum of HK\$15.00 in cash in respect of each Share held by them respectively at such close of business. All deliveries of cheques required therefor as aforesaid shall be effected by duly posting the same in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the Register of Members of Oxford at the close of business on the record date.

Scheme Shareholders are therefore hereby urged to have their names entered in Oxford's register of members as soon as possible so as to enable Oxford to, *inter alia*, properly classify members of Oxford and, if the Scheme is sanctioned and becomes effective, to arrange for cheques to be sent to the most appropriate person for payment.

**WARNING:**

**Shareholders should note that the implementation of the Scheme Proposal is subject to the conditions set out below being fulfilled or waived, and thus may or may not become effective, and may lapse whereupon the Scheme Proposal will become null and void *ab initio* and Shareholders will have no recourse whatsoever and howsoever to Oxford and/or Smart Extra. Shareholders and prospective investors should exercise caution in dealing in the Shares.**

**DELAY IN DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document, which contains, *inter alia*, a letter from the Board, a letter from the Independent Board Committee and a letter from the Independent Financial Advisers, in respect of the Offer and the Scheme Proposal, which was originally expected to be despatched on or before 4 September 2003, is now, with the consent of Smart Extra, expected to be despatched on or before 6 October 2003. The Offer will remain open for 14 days after the date of the posting of the Composite Document.

**RESUMPTION OF TRADING OF THE SHARES**

At the request of Oxford, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 1 April 2003 pending the release of the announcement(s) by Smart Extra and Oxford in respect of the Offer and the Scheme Proposal, and of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 8 September 2003.

**INTRODUCTION**

Reference is made to the document issued by Smart Extra and dated 17 June 2003, in respect of the Offer and the Scheme Proposal (the "Offer Document"), and the announcements made by Oxford dated 2 July 2003 and 4 August 2003. Terms used in this announcement shall have the same meanings as those defined in the Offer Document unless the context otherwise requires.

## **THE FIRM INTENTIONS OF SMART EXTRA**

By the Announcement, Smart Extra has announced its firm intention to extend an Offer, on the basis of Rule 26 of the Takeovers Code, to the holders of equity share capital of Oxford at the Offer Price of HK\$9.00 per Share.

By the Announcement, whilst Smart Extra has also announced its firm intention to privatise Oxford, it has also announced that it has had to carry out its intended privatisation in respect of Oxford by way of a scheme of arrangement pursuant to section 166 of the Companies Ordinance.

Shareholders should note the Offer, the terms thereof and the terms and conditions of valid acceptance in respect of the Offer from the Offer Document which was despatched on 17 June 2003.

## **THE SCHEME PROPOSAL**

The board of directors of Oxford (the "Board") is pleased to inform Shareholders that the Board has agreed, subject to Shareholders' approval in a general meeting, to the privatisation of Oxford by way of the Scheme Proposal as it appeared to be beneficial to Oxford and its Shareholders as a whole (reference is made to the Offer Document as to the reasons for Smart Extra making the Scheme Proposal) and has further agreed to accede to the request of Smart Extra to put forward the Scheme Proposal to Shareholders by way of a scheme of arrangement under section 166 of the Companies Ordinance.

Under the Scheme Proposal, all Scheme Shares, in the event that the Scheme becomes effective, will be cancelled in exchange for HK\$15.00 in cash for each Scheme Share.

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, a premium of approximately 31.58% over the audited consolidated net asset value per Share of approximately HK\$11.40 as at 31 January 2003 and a premium of HK\$6.00 per Share which is approximately 66.67% over the Offer Price of HK\$9.00. 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. Scheme Shareholders will have already noted from the Offer Document that Baron Capital and Kim Eng have confirmed 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.

As at the date of this announcement, there were 67,760,000 Shares in issue. Based on the information provided by Smart Extra, a total of 49,834 Shares have been tendered for acceptance under the Offer up to the date of this announcement. Taking into account the above information and the 60,406,962 Shares held by Smart Extra as at the date of the Offer Document, the Scheme Shareholders were interested in 7,303,204 Shares at the date of this announcement. It should be noted that the Offer will remain open for acceptance for 14 days after the posting of the Composite Document (as defined hereinafter) and be closed on that 14th day. Accordingly, the formulation of the Scheme cannot be finalised until after the Offer is closed and Smart Extra will have paid for all the duly accepted Shares tendered for acceptance so that the number of Scheme Shares can be ascertained. When the proposed Scheme has been formulated, the first step is an application (either by way of an *ex parte* or *inter partes* Originating Summons pursuant to Order 102, Rule 5(2) of the Rules of the High Court (HK)) to the Court by Oxford for the Court to order meetings, of the members of the classes of members, to be summoned. Oxford and Smart Extra, subject to further legal advice to be obtained from Senior Counsel, are of the unanimous view that the application should be made *inter partes*. Such an application, on an *inter partes* basis, will be made by Oxford upon commencement of the proceedings. Further information regarding the Scheme Proposal, including, *inter alia*, the said application, will be included in the Composite Document.

The Board wishes to hereby draw to the particular attention of the Scheme Shareholders that:

1. the meeting of members or class meetings of members of Oxford to be summoned, in the manner as the Court shall have directed pursuant to section 166 of the Companies Ordinance and any adjournment thereof, if any, in respect of the approval of the Scheme, shall be meetings of members or meetings of classes of members of Oxford (either in person or by proxy); and
2. in consideration of the cancellation of the Scheme Shares, Smart Extra shall, pursuant to the Scheme Proposal, pay to the persons who at the close of business on the business day immediately preceding the day on which the Scheme becomes effective (the "record date") are the holders of the Shares cancelled as aforesaid, the sum of HK\$15.00 in cash in respect of each Share held by them respectively at such close of business. All deliveries of cheques required therefor as aforesaid shall be effected by duly posting the same in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the Register of Members of Oxford at the close of business on the record date.

Scheme Shareholders are therefore hereby urged to have their names entered in Oxford's Register of Members as soon as possible so as to enable Oxford to, *inter alia*, properly classify members of Oxford and, if the Scheme is sanctioned and becomes effective, to arrange for cheques to be sent to the most appropriate person for payment.

**Shareholders should take note that the Scheme Proposal is to be implemented by way of a scheme of arrangement under section 166 of the Companies Ordinance. Pursuant to section 166 of the Companies Ordinance any such arrangement must be an arrangement between the Company and its members or any class of them. By reason thereof, any Shareholders who have tendered their Shares for acceptance under the Offer before the closure of the Register (a further announcement in respect of this date will be made once determined) of either the EGM or any of the Court Meetings (if more than one), whichever is the earlier, will cease to be and/or cease to qualify themselves to be members of Oxford. In the premises, they 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 (either in person or by proxy) at 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.**

#### **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 of the Independent Shareholders (i.e. Shareholders who are independent from Smart Extra and/or party(ies) acting or deemed to be acting in concert with Smart Extra) present and voting (either in person or by proxy) at the Court Meeting(s) representing not less than three-fourths in value of the Shares that are voted by the Independent Shareholders (either in person or by proxy) at the Court Meeting, provided that the Scheme is not disapproved at the Court Meeting by the Independent Shareholders holding more than 10% in value of all the Shares held by the Independent Shareholders, in each case by way of poll;
- (ii) the approval of the Scheme by the passing of a special resolution (by way of poll) 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 an office copy of the Court Order minutes containing the particulars required by section 166 of the Companies Ordinance are delivered to, and registered by, the Registrar of Companies in Hong Kong;
- (iv) 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;
- (v) 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 the 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
- (vi) 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 conditions of the Scheme Proposal set out in (iv) to (vi) above. The conditions set out in (i) to (iii) cannot be waived in any event. All of the above conditions will have to be satisfied or waived on or before a date to be determined by Smart Extra and Oxford jointly in their sole and absolute discretion (a further announcement will be made in respect thereof), otherwise the Scheme Proposal and therefore the Scheme will both lapse. An announcement will be made if the Scheme Proposal lapses.

**WARNING:**

Shareholders should note that the implementation of the Scheme Proposal is subject to the conditions set out above being fulfilled or waived, and thus may or may not become effective, and may lapse whereupon the Scheme Proposal will become null and void *ab initio* and Shareholders will have no recourse whatsoever and howsoever to Oxford and/or Smart Extra. Shareholders and prospective investors should exercise caution in dealing in the Shares.

**SHAREHOLDING STRUCTURE**

The shareholding structure of Oxford tabulated hereunder is according to the information available to Oxford as at the date of this announcement and on the presumption that the number of Shares in issue as at the date upon which Smart Extra will have fully discharged its payment obligations under the Scheme Proposal and/or the Scheme to be formulated in accordance with the Scheme Proposal will be the same as at the date of this announcement.

|                               | As at the date of<br>this announcement |                  |                                    | Immediately<br>following completion<br>of the Scheme Proposal |            |
|-------------------------------|--|------------------|------------------------------------|---|------------|
|                               | <i>Number of<br/>Shares</i>            | <i>Approx. %</i> | <i>Number of<br/>Scheme Shares</i> | <i>Number of<br/>Shares</i>                                   | <i>%</i>   |
| Smart Extra ( <i>note 1</i> ) | 60,406,962                             | 89.15            | –                                  | 67,760,000  | 100        |
| Smart Extra ( <i>note 2</i> ) | 49,834                                 | 0.08             | –                                  | –   | –          |
| MADC                          | 409,400                                | 0.60             | 409,400                            | –   | –          |
| Mr. J. Lee                    | 90,118                                 | 0.13             | 90,118                             | –   | –          |
| Disinterested<br>Shareholders | 6,803,686                              | 10.04            | 6,803,686                          | –   | –          |
| Total                         | <u>67,760,000</u>                      | <u>100</u>       | <u>7,303,204</u>                   | <u>67,760,000</u>   | <u>100</u> |

*Notes:*

1. Shares acquired through Acquisition.
2. Shares tendered for acceptance under the Offer up to the date of this announcement.

**STATEMENTS OF THE STOCK EXCHANGE IN RESPECT OF RULE 8.08 OF THE LISTING RULES**

Shareholders should note that should Smart Extra fail to privatise Oxford for whatsoever and howsoever reasons, there will be insufficient public float in the shares of Oxford as required under Rule 8.08 of the Listing Rules. In the light of the fact that Smart Extra is now already holding approximately 89.23% of the equity share capital of the Company, the Stock Exchange has stated that it may, upon failure of Smart Extra to privatise Oxford, suspend the trading of the shares of Oxford on the Stock Exchange until after viable arrangements are made and implemented, either pursuant to an undertaking to be given by Smart Extra, or otherwise, so that a sufficient level of public float will have been attained. Shareholders should therefore note that Smart Extra may or may not be able to swiftly make and implement any viable arrangement, or at all, for the purpose as aforesaid and this may result in Shareholders not being able to use the trading facilities of the Stock Exchange as and when dealing in the Shares of Oxford. Shareholders should also note the possible adverse impact on the share price of Oxford arising out of the implementation of any arrangement that will have to be made to ensure the attainment of a sufficient level of public float and in this respect reference is hereby made to Oxford's announcement dated 25 October 2002 whereby Oxford announced the arrangements that it had made and the continuous implementation thereof with a view to increasing the public float in respect of its shares ("the Arrangements"). By reason of the Acquisitions and of the Offer, the Arrangements have lapsed.

The Stock Exchange has further stated that if the Company remains a listed company, the Stock Exchange will closely monitor all future acquisitions or disposals of assets by the Company. Any acquisitions or disposals of assets by the Company will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require the Company to issue an announcement and a circular to its Shareholders irrespective of the size of the proposed acquisitions and disposals of assets by the Company, particularly where such proposed acquisitions and disposals of assets by the Company represent a departure from the principal activities of the Company. The Stock Exchange has the power pursuant to the Listing Rules to aggregate a series of acquisitions and disposals of assets by the Company and any such acquisitions and disposals of assets may result in the Company being treated as if it were a new listing applicant and subject to the requirements for new listing applications as set out in the Listing Rules.

## **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. Oxford will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme. 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. Further announcement(s) will be made once these exact dates can be determined.

## **OVERSEAS SHAREHOLDERS**

The making of the Offer and/or the Scheme Proposal to persons not resident in Hong Kong may be subject to the laws of relevant jurisdictions. Such persons should inform themselves appropriately and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Shareholders wishing to accept either the Offer or the Scheme Proposal that the Scheme will become effective to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## **ESTABLISHMENT OF AN INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISERS, BOTH BY OXFORD**

An Independent Board Committee, consisting of Messrs. Alfred Cheung Tze Fat, Lau Hak Lap, Lai Man Leung and Clive William Oxley, has been established for the purposes of, *inter alia*, the Offer and the Scheme Proposal. Shenyn Wanguo Capital (H.K.) Limited have been appointed as the Independent Financial Advisers to advise the Independent Board Committee in respect of the Offer and the Scheme Proposal and in respect of the 409,400 Shares held by MADC, as to whether the Independent Board should consider accepting the Offer and/or should consider supporting the Scheme Proposal by voting for the resolutions to be approved at the Court Meeting(s) and the EGM in respect of the Scheme.

Shareholders are hereby informed that the votes cast in respect of the Shares of Oxford by MADC in respect of the resolution(s) to be approved at the Court Meeting(s) will not be counted towards the voting requirements under Rule 2.10 of the Takeovers Code.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Subsequent to the despatch of the Offer Document, the Executive expressed concerns, on 27 June 2003, about the Offer and the Scheme Proposal being regarded by Smart Extra as separate and distinct from each other. The Executive took the view that Smart Extra therefore might have acted in breach of, *inter alia*, General Principle 1 of The Codes on Takeovers and Mergers and Share Repurchases (the "Codes"). In response to the said concerns of the Executive, Smart Extra and Oxford duly made their respective submissions to the Executive. It was not until in or around mid-August 2003 that Smart Extra and Oxford were able to put all such concerns to rest, including, but without limitation to, Rule 31.1 and 31.3 of the Takeovers Code and General Principles 1, 5 and 7 of the Codes, as the Executive might have had at the time. It was unanimously agreed that the Offer should be closed prior to the making of an application to the Court for, *inter alia*, an order confirming the classification of members of Oxford, as proposed by Oxford and as may be modified by the Court, and for an order for the summoning of the meetings of the members as classified for the purposes of putting forward the Scheme as formulated pursuant to the Scheme Proposal, and for the appointment of a chairman of the meetings who is to report to the Court in respect of the meetings ordered to be summoned and held. It was further agreed that the Offer should be closed 14 days following the despatch of the Scheme Document.

In the light of the above and having consulted the Executive, Oxford concluded that it would be expedient in the circumstances to issue a Composite Document as opposed to the issuance of separate Offeree and Scheme Documents. The deadline, as extended, applicable to the issuance and despatch of the Offeree Document alone was 4 September 2003. With a view to having the Composite Document despatched as soon as possible, Oxford is now actively pursuing the finalisation of the draft Composite Document.

The document (the "Composite Document"), which contains, *inter alia*, a letter from the Board, a letter from the Independent Board Committee and a letter from the Independent Financial Advisers, in respect of the Offer and the Scheme Proposal, which was originally expected to be despatched on or before 4 September 2003, is now expected to be despatched on or before 6 October 2003 and an application has been made to the Executive in respect of the said delay in the despatch of the Composite Document. The Offer will remain open for 14 days after the date of the posting of the Composite Document.

Notices of meetings of members (which will be accompanied by a copy of an explanatory statement as stipulated under section 166 A of the Companies Ordinance) and of the EGM will be given in due course to Scheme Shareholders after the Court has made an Order, *inter alia*, summoning the court meetings, if more than one, pursuant to section 166 of the Companies Ordinance.

Independent Shareholders should consider carefully the recommendations of the Independent Board Committee and the factors, reasons and recommendations in relation to the Offer and the Scheme Proposal as set out in the letter from Shen Yin Wanguo Capital (H.K.) Limited before making a decision on whether to accept or reject the Offer or to support the Scheme Proposal.

#### **RESUMPTION OF TRADING OF THE SHARES**

**At the request of Oxford, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 1 April 2003 pending the release of the announcement(s) by Smart Extra and Oxford in respect of the Offer and the Scheme Proposal, and of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 8 September 2003.**

By order of the Board of  
**Oxford Properties & Finance Limited**  
司徒澤樺  
**Michael Seto Chak Wah**  
Chairman

Hong Kong, 4 September 2003

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

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