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Smartgood Investments Limited

(Incorporated in the British Virgin Islands with limited liability)

Tem Fat Hing Fung (Holdings) Limited

(添發慶豐(集團)有限公司)*

(Incorporated in Bermuda with limited liability)

CLOSING OF THE UNCONDITIONAL MANDATORY CASH OFFERS BY



KINGSTON SECURITIES LIMITED

ON BEHALF OF

SMARTGOOD INVESTMENTS LIMITED

FOR ALL THE ISSUED SHARES IN TEM FAT HING FUNG (HOLDINGS) LIMITED

(OTHER THAN THOSE ALREADY OWNED BY

SMARTGOOD INVESTMENTS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

AND ALL OUTSTANDING CONVERTIBLE PREFERENCE SHARES OF

TEM FAT HING FUNG (HOLDINGS) LIMITED

(OTHER THAN THOSE ALREADY OWNED BY

SMARTGOOD INVESTMENTS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

FINANCIAL ADVISER TO SMARTGOOD INVESTMENTS LIMITED



KINGSTON CORPORATE FINANCE LIMITED

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE OF
TEM FAT HING FUNG (HOLDINGS) LIMITED



Baron Capital Limited

As at 4:00 p.m. on 26th November, 2003, being the latest time for the acceptance of the Offers,

- (1) acceptances under the Share Offer had been received in respect of 4,164 Shares, representing (i) approximately 0.0002% of the total 1,521,862,818 issued Shares; and (ii) approximately 0.001% of the 382,987,818 Shares subject to the Share Offer; and
- (2) acceptances under the CPS Offer had been received in respect of 31,000 CPS, representing approximately 38.75% of the total 79,990 issued CPS subject to the CPS Offer.

Following the close of the Offers, Smartgood and parties acting in concert with it owned or controlled 1,138,879,164 Shares, representing approximately 74.83% of the total issued Shares, and 31,000 CPS, representing approximately 38.75% of the total issued CPS.

Mr. Zhou has been appointed as an executive Director and the chairman of the Company with effect from 26th November, 2003.

At the request of the Company, trading in the CPS will be suspended with effect from 9:30 a.m. on 27th November, 2003 pending the restoration of the minimum public float of the CPS to 25%.

Reference is made to the Composite Offer Document dated 5th November, 2003 (the "Document") and the announcement jointly issued by Smartgood and the Company dated 15th October, 2003. Terms used in this announcement shall have the same meanings as those defined in the Document unless the context requires otherwise.

ACCEPTANCES UNDER THE OFFERS

As at 4:00 p.m. on 26th November, 2003, being the latest time for the acceptance of the Offers,

- (1) acceptances under the Share Offer had been received in respect of 4,164 Shares, representing (i) approximately 0.0002% of the total 1,521,862,818 issued Shares; and (ii) approximately 0.001% of the 382,987,818 Shares subject to the Share Offer; and
- (2) acceptances under the CPS Offer had been received in respect of 31,000 CPS, representing approximately 38.75% of the total 79,990 issued CPS subject to the CPS Offer.

As stated in the Document, remittances in respect of the Share and CPS tendered under the Offers will be posted respectively to the relevant Qualifying Shareholders and the relevant holders of CPS by ordinary post at their own risk within 10 days of the date of receipt by the Registrar of all the relevant documents which render the relevant acceptances under the Offers complete and valid, and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances received will be on Friday, 5th December, 2003.

Following the close of the Offers, Smartgood and parties acting in concert with it owned or controlled 1,138,879,164 Shares, representing approximately 74.83% of the total issued Shares and 31,000 CPS, representing approximately 38.75% of the total issued CPS. Smartgood also holds the Convertible Notes in the aggregate principal amount of HK\$20,000,000 due on 16th December, 2005 (each Convertible Note being HK\$1,000,000) convertible into 400,000,000 new Shares at a conversion price of HK\$0.05 per Share, representing approximately 20.8% of the issued share capital of the Company as enlarged by such conversion. Assuming full conversion of the 31,000 CPS and the Convertible Notes held by Smartgood, Smartgood and parties acting in concert with it will be interested in 80.11% of the voting rights of the Company. Smartgood confirms that it has not decided whether to convert its CPS and Convertible Notes.

SHAREHOLDING STRUCTURE

	Before close of the Share Offer		After close of the Share Offer	
	No. of Shares	%	No. of Shares	%
Perfect View	6	(negligible)	6	(negligible)
Smartgood and parties acting in concert with it	1,138,875,000	74.83	1,138,879,164	74.83
Public	382,987,812	25.17	382,983,648	25.17
Total	<u>1,521,862,818</u>	<u>100.00</u>	<u>1,521,862,818</u>	<u>100.00</u>
	Before close of the CPS Offer		After close of the CPS Offer	
	No. of CPS	%	No. of CPS	%
Perfect View	38,000	47.51	38,000	47.51
Smartgood and parties acting in concert with it	0	0.00	31,000	38.75
Public	41,990	52.49	10,990	13.74
Total	<u>79,990</u>	<u>100.00</u>	<u>79,990</u>	<u>100.00</u>

PUBLIC FLOAT OF THE SHARES AND CPS

As a result of the acceptances received under the Share Offer, the number of Shares in public hands is 382,983,648 representing approximately 25.17% of the total issued Shares.

As a result of the acceptances received under the CPS Offer, the number of CPS in public hands is 10,990, representing approximately 13.74% of the total issued CPS and is not sufficient for the purpose of maintaining the minimum public float of 25% under Rule 8.08(1) of the Listing Rules. In this connection, each of Smartgood and the executive directors of the Company, has undertaken to the Stock Exchange to take appropriate steps, including but not limited to disposal of CPS by Perfect View to independent third parties, as soon as possible following the close of the CPS Offer to ensure that there will be sufficient public float for the CPS in accordance with Rule 8.08(1) of the Listing Rules.

At the request of the Company, trading in the CPS will be suspended with effect from 9:30 a.m. on 27th November, 2003, pending the restoration of the minimum public float of the CPS to 25%. Further announcement in this respect will be made as and when appropriate.

APPOINTMENT OF EXECUTIVE DIRECTOR

As set out in the Document, all the existing members of the Board (including 2 executive Directors, Mr. Cheung Yu Shum, Jenkin and Mr. Lee Kin Chung, Simon, and 2 independent non-executive Directors, Mr. Shum Ka Hei and Mr. Cheung Man Yau, Timothy) remain as the Directors. Mr. Cheung Yu Shum, Jenkin has resigned as the chairman with effect from 26th November, 2003, however remaining as an executive Director. Mr. Zhou has been appointed as an executive Director and the chairman of the Company with effect from 26th November, 2003. The existence of the Queen's University of Brighton and how the honorary degree was obtained by Mr. Zhou are being verified and an announcement will be made by 5th December, 2003.

By order of the board of
Smartgood Investments Limited
Zhou Weirong
Director

By order of the board of
Tem Fat Hing Fung (Holdings) Limited
Cheung Yu Shum, Jenkin
Director

Hong Kong, 26th November, 2003

The sole director of Smartgood accepts full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Company, and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement, other than those relating to the Company, 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 made any statement in this announcement misleading.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to Smartgood, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement, other than those relating to Smartgood, 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 made any statement in this announcement misleading.

* For identification purpose only

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