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SMART TOWN HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

TEEM FOUNDATION GROUP LTD.

(浩基集團有限公司)*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 628)

POSTPONEMENT OF DESPATCH OF COMPOSITE OFFER DOCUMENT

References are made to the Joint Announcement dated 14 April 2004. The despatch of the Composite Offer Document by the Offeror and the Company to the Shareholders regarding, among other things, the mandatory unconditional cash offer by Kingston Securities on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) will be postponed from 5 May 2004 to a date falling on or before 19 May 2004. The postponement of despatch of the Composite Offer Document is to allow more time for collating and compiling financial information relating to the Group, in particular for obtaining bank confirmations for the purpose of the indebtedness statement of the Group, which is required to be set out in the Composite Offer Document.

References are made to the press announcement (the "Joint Announcement") jointly issued by the Offeror and the Company dated 14 April 2004 regarding, among other things, the mandatory unconditional cash offer by Kingston Securities on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Joint Announcement.

POSTPONEMENT OF DESPATCH OF COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, an offer document regarding, among other things, the Offer is required to be despatched by the Offeror and the Company to the Shareholders within 21 days from the date of the Joint Announcement, that is, on or before 5 May 2004. The Offeror and the Company will combine the offer document and the Company's board circular in the Composite Offer Document, which is also required to be despatched within this 21-day period.

The directors of the Offeror and the Company announce that, as more time is required for collating and compiling financial information relating to the Group, in particular for obtaining bank confirmations for the purpose of the indebtedness statement of the Group, which is required to be set out in the Composite Offer Document. An application has therefore been made to the Executive for an extension of time for the despatch of the Composite Offer Document to a date falling on or before 19 May 2004.

By order of the board
Smart Town Holdings Limited
Lum Chor Wah, Richard
Director

By order of the board
Teem Foundation Group Ltd.
Pun Yuen Sang
Director

Hong Kong, 5 May 2004

* For identification purpose only

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

As at the date of this announcement, the executive directors of the Company are Chu Chi Ming, Tang Hin Keung, Alfred, Pun Yuen Sang, Mak Kui Yuen, Ip Siu Fung and Lee Lim, and the independent non-executive directors of the Company are Leung Chi Hung and Ng Kenny Chi Kin.