



# 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 Bermuda with limited liability)*

**(Stock Code: 628)**

## JOINT ANNOUNCEMENT

**Closing of the mandatory unconditional cash offer by**



**KINGSTON SECURITIES LIMITED**

**On behalf of**

**Smart Town Holdings Limited**

**for all the issued shares in Teem Foundation Group Ltd.**

**(other than those already owned by**

**Smart Town Holdings Limited and parties acting in concert with it)**

**FINANCIAL ADVISER TO SMART TOWN HOLDINGS LIMITED**



**KINGSTON CORPORATE FINANCE LIMITED**

Up to 4:00 p.m. on 9 June 2004, being the latest time for the acceptance of the Offer, 2 acceptances under the Offer had been received in respect of 6,784,000 Shares, representing (i) approximately 1.01% of the total 672,000,000 issued Shares; and (ii) approximately 4.04% of the 168,000,000 Shares subject to the Offer.

Immediately following the close of the Offer, after taking into account the acceptances of 6,784,000 Shares received under the Offer, the Offeror and its concert party, namely Pan-Star, owned or controlled an aggregate 510,784,000 Shares, representing approximately 76% of the issued share capital of the Company (out of which 376,384,000 Shares, representing approximately 56% of the issued share capital of the Company, are held by the Offeror.)

According to the Underwriting and Placing Agreement, upon Completion, the 6,784,000 accepted Shares will be fully underwritten and placed by Kingston Securities to maintain the 25% public float of the Company in compliance with the relevant requirements of the Listing Rules.

The Board is pleased to announce that Mr. Yeung Tony Ming Kwong and Mr. Lum Chor Wah, Richard have been appointed as executive Directors with effect from 9 June 2004. At the same time, Mr. Chu Chi Ming, Mr. Mak Kui Yuen, Ms. Ip Siu Fung and Ms. Lee Lim also resigned from their positions of executive Directors.

References are made to the Composite Offer Document dated 19 May 2004 (the “Document”) and the announcement jointly issued by the Offeror and the Company dated 14 April 2004. Terms used in this announcement shall have the same meaning as those defined in the Document unless the context requires otherwise.

### ACCEPTANCES UNDER THE OFFER

Up to 4:00 p.m. on 9 June 2004, being the latest time for the acceptance of the Offer, 2 acceptances under the Offer had been received in respect of 6,784,000 Shares, representing (i) approximately 1.01% of the total 672,000,000 issued Shares; and (ii) approximately 4.04% of the 168,000,000 Shares subject to the Offer.

As stated in the Document, remittances in respect of the Shares tendered under the Offer will be posted respectively to the relevant Shareholders 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 Offer complete and valid, and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances received will be on Friday, 18 June 2004.

Following the acquisition of the Sale Shares, the shareholding interest of the Offeror and its concert parties, namely Pan-Star, owned an aggregate 504,000,000 Shares (out of which 369,600,000 Shares are held by the Offeror and 134,400,000 Shares are held by Pan-Star), in aggregate representing approximately 75% of the issued share capital of the Company. Pan-Star Shares had undertaken to the Offeror that it would not sell, transfer or dispose of any of its 134,400,000 Shares and would not accept any appropriate offer pursuant to the Takeovers Code during the offer period from 30 March 2004 up to the closing of the Offer.

Save for the acceptances stated above, the Offeror and parties acting in concert with it had not acquired or agreed to acquire any Shares during the offer period from 14 April 2004, being the date when the first announcement in respect of the Offer was made, to 9 June 2004.

Immediately following the close of the Offer, after taking into account the acceptances of 6,784,000 Shares received under the Offer, the Offeror and its concert party, namely Pan-Star, owned or controlled an aggregate 510,784,000 Shares, representing approximately 76% of the issued share capital of the Company (out of which 376,384,000 Shares, representing approximately 56% of the issued share capital of the Company, are held by the Offeror.)

According to the Underwriting and Placing Agreement, upon Completion, the 6,784,000 accepted Shares will be fully underwritten and placed by Kingston Securities to maintain the 25% public float of the Company in compliance with the relevant requirements of the Listing Rules.

There are no outstanding warrants, options, or securities convertible into Shares as at the Latest Practicable Date. There is no condition regarding the acceptance of the Offer. The Offer is not conditional on the level of acceptances. The Offer does not involve any issue of unlisted securities.

### PUBLIC FLOAT OF THE SHARES

Upon the close of the Offer, the public float of the Shares becomes 23.99% of the total issued share capital of the Company. Pursuant to the Underwriting and Placing Agreement, Kingston Securities will place, on an irrevocable and fully underwritten basis, the accepted Shares, which is 6,784,000 Shares, representing approximately 1.01% of the existing issued share capital to placees who are independent of, and not connected with nor acting in concert with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or the Offeror or their respective associates or parties acting in concert with any of them within one month (or such extension as may be granted by the Stock Exchange) beginning on (and including) the date of closing of the Offer, i.e. 9 June 2004. Upon the completion of the placing of the accepted Shares, the public float will be resumed to 25% of the total issued share capital of the Company.

**The Stock Exchange has stated that it will closely monitor trading in the Shares if less than 25% of the Shares are held by the public. If the Stock Exchange believes that: (i) a false market exists or may exist in the Shares; or (ii) there are too few Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.**

### APPOINTMENT OF NEW DIRECTORS

The Board is pleased to announce that Mr. Yeung Tony Ming Kwong and Mr. Lum Chor Wah, Richard have been appointed as executive Directors with effect from 9 June 2004. On the date of this announcement, Mr. Chu Chi Ming, Mr. Mak Kui Yuen, Ms. Ip Siu Fung and Ms. Lee Lim, also resigned from their positions of executive Directors.

Mr. Yeung Tony Ming Kwong, aged 56, is currently a director and shareholder of Smartrend Investment Limited and Kateman International Limited, which are private investment companies focusing on private equity investments in real estate industry and finance industry. Furthermore, he is also a shareholder of G.F.S. Securities & Futures Inc., (“GFS”) which is a company incorporated in the United States of

America and is principally engaged in the trading of foreign exchange and futures under the regulations of US Securities and Exchange Commission. For the past three years, he had been the executive director of a company listed on the Stock Exchange namely vLink Global Limited (now known as Neo-China Group (Holdings) Limited) (from 12 January 2001 to 16 October 2001). As at the date of this announcement, Mr. Yeung has no relationships with any directors, senior management or substantial or controlling shareholders of the Company save for (i) his holding of 83% shareholding interest in GFS in which Mr. Tang Hin Keung, Alfred, one of the Directors, also holds the remaining 17% shareholding interest; (ii) being an executive director of the Company; and (iii) being one of the beneficial owners of the controlling shareholder of the Company. He is interested in 369,600,000 Shares (within the meaning of Part XV of the Securities and Futures Ordinance) as at the date of this announcement. Mr. Yeung has no emolument for his directorship in the Company and the length of service of his directorship will be up to the next annual general meeting of the Company subject to the Shareholders’ vote in the next annual general meeting of the Company.

Mr. Lum Chor Wah, Richard, aged 44, has over 16 years of experience in the field of corporate finance and investment advisory including the provision of advice in relation to group restructuring and fund raising. Mr. Lum holds a Bachelor’s degree in Science from the University of Hong Kong and a Master’s degree in Business Administration from the Chinese University of Hong Kong. He is also a member of the Society of Registered Financial Planners in Hong Kong, a Fellow member of Hong Kong Institute of Directors and an associate member of Institute of Financial Accountants, United Kingdom. He had worked in a senior position for an international bank for around seven years. For the past three years, he had been the executive director of three companies listed on the Stock Exchange namely Digital World Holdings Ltd. (now known as Wonderful World Holdings Limited) (from the year 2000 to 20 November 2003), Dransfield Holdings Ltd. (now known as China Merchants Dichain (Asia) Limited) (from 31 December 2000 to 18 July 2001) and Innovative International (Holdings) Ltd. (now known as Gorient (Holdings) Limited) (from 3 September 2001 to 20 December 2002), responsible for the investors relationship, investment and corporate finance activities, administrative and financial aspects of the company, and had also been the independent non-executive director of three comprises listed on the Stock Exchange namely Dah Hwa International Holdings Limited (from 2 July 2002 to 8 January 2003), Companion Building Material International Holdings Limited (now known as Pacific Century Premium Developments Limited) (from 16 May 2000 to 7 March 2002) and Skynet (International Group) Holdings Limited (from January 2000 to 7 March 2002). Mr. Lum is also the executive director of the Offeror as at the date of this announcement. As at date of this announcement, Mr. Lum has no relationships with any directors, senior management or substantial or controlling shareholders of the Company save for (i) being an executive director of the Company; and (ii) being the executive director of the controlling shareholder of the Company. He does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance) as at the date of this announcement. Mr. Lum has no emolument for his directorship in the Company and the length of service of his directorship will be up to the next annual general meeting of the Company subject to the Shareholders’ vote in the next annual general meeting of the Company.

The Board would like to express their gratitude to Mr. Chu Chi Ming, Mr. Mak Kui Yuen, Ms. Ip Siu Fung and Ms. Lee Lim for their services and contributions to the Company during their respective terms of office. Each of the resigned directors confirm that he/she does not consider there being any matters that need to be brought to the attention of Shareholders and that he/she does not have any disagreement with the Board.

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

Hong Kong, 9 June 2004

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

*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 are Mr. Yeung Tony Ming Kwong, Mr. Lum Chor Wah, Richard, Mr. Tang Hin Keung, Alfred, Mr. Pun Yuen Sang, and the independent non-executive Directors are Mr. Leung Chi Hung and Mr. Ng Kenny Chi Kin.*