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**TEM FAT HING FUNG  
(HOLDINGS) LIMITED**

*(Incorporated in Bermuda  
with limited liability)*

**PERFECT VIEW  
DEVELOPMENT LIMITED**

*(Incorporated in the British Virgin  
Islands with limited liability)*

**FURTHER DELAY IN DESPATCH OF CIRCULAR  
AND  
DELAY IN PUBLICATION OF FINAL RESULTS**

- The despatch of the Circular in relation to the Restructuring Proposal will be further delayed from 2 September 2002 to on or before 15 October 2002.
- The Board also announces that the release of the 2002 Final Results, which are to be released on or before 31 August 2002 in accordance with paragraphs 8(1) and 11(1) of the Listing Agreement, will be postponed to on or before 15 October 2002. The delay in the publication of the 2002 Final Results constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Stock Exchange has reserved its rights to take appropriate action against the Company and/or its directors.

Reference is made to the joint announcements of the Company and the Investor dated 21 May 2002, 11 June 2002 and 30 July 2002 in relation to, amongst others, the principal terms and conditions of the Restructuring Proposal and the delay in despatch of the Circular. Terms used herein shall have the same meaning as those defined in the announcements unless the context requires otherwise.

The Company applied to the SFC on 11 June 2002 and 30 July 2002 for extensions of time for the despatch of the Circular from 11 June 2002 to on or before 30 July 2002 and from 30 July 2002 to on or before 2 September 2002. Such approvals were granted on 12 June 2002 and 6 August 2002 respectively.

However, the Company and the Investor are unable to meet this timetable because additional time is needed to finalise certain information to be incorporated into the Circular including, inter alia, the 2002 Final Results. As such, the Company has made an application to the SFC for a further extension of time for the despatch of the Circular from 2 September 2002 to on or before 15 October 2002.

The Board of the Company also announces that in view of the delay in the publication of the 2001 Final Results and the 2002 Interim Results, which were released on 9 August 2002, the Company will require more time to finalize and complete the audit of the 2002 Final Results. Therefore, the release of the 2002 Final Results, which are to be released on or before 31 August 2002 in accordance with paragraphs 8(1) and 11(1) of the Listing Agreement, will be postponed to on or before 15 October 2002.

The unaudited consolidated results of the Group for the year ended 30 April 2002, which have been reviewed by the audit committee of the Company, are set out below in compliance with paragraph 11(3) of the Listing Agreement. Shareholders are advised to exercise caution in interpreting the unaudited consolidated results because such results have not yet been audited and may be materially different from the audited final results.

	<i>Notes</i>	<b>Unaudited 2002 HK\$'000</b>	Audited 2001 HK\$'000
TURNOVER		<b>19,953</b>	1,730,737
COST OF SALES		<b>(15,019)</b>	(1,691,764)
GROSS PROFIT		<b>4,934</b>	38,973
OTHER REVENUES		<b>5,577</b>	37,011
SELLING AND DISTRIBUTION EXPENSES		-	(4,750)
GENERAL AND ADMINISTRATIVE EXPENSES		<b>(97,064)</b>	(163,560)
OTHER OPERATING EXPENSES		-	(3,104)
		<b>(86,553)</b>	(95,430)
GAINS LESS LOSSES ON DISPOSAL OF SUBSIDIARIES AND INTEREST IN ASSOCIATES		-	(103,362)
PROVISION FOR ACCOUNTS RECEIVABLE		-	(82,997)
OPERATING LOSS FOR THE YEAR		<b>(86,553)</b>	(281,789)
FINANCE COSTS		<b>(79,743)</b>	(118,094)
		<b>(166,296)</b>	(399,883)
SHARE OF PROFITS LESS LOSSES OF: ASSOCIATES		<b>1</b>	(345,536)
JOINTLY CONTROLLED ENTITIES		<b>(8,373)</b>	(23,685)
LOSS FROM OPERATING ACTIVITIES			
Continuing operations		<b>(174,668)</b>	(774,201)
Discontinued operations		-	5,097
		<b>(174,668)</b>	(769,104)
TAXATION	3	<b>(167)</b>	(53)
LOSS AFTER TAXATION		<b>(174,835)</b>	(769,157)
MINORITY INTERESTS		-	(5,531)
LOSS ATTRIBUTABLE TO SHAREHOLDERS		<b>(174,835)</b>	(774,688)
DIVIDENDS	4	<b>(765)</b>	(765)
LOSS FOR THE YEAR RETAINED		<b>(175,600)</b>	(775,453)
		<i>HK cents</i>	<i>HK cents</i>
LOSS PER SHARE			
- Basic	5	<b>(4.44)</b>	(32.02)

Notes:

## 1. Basis of presentation

The unaudited consolidated results for the year ended 30 April 2002 have been prepared on a going concern basis notwithstanding that the Group had net current liabilities and deficiency in assets as at 30 April 2002. As detailed in the annual report for the year ended 30 April 2001, the Company is undergoing a debt restructuring exercise, in which the Company entered into the Restructuring Proposal with the Creditors and the Investor on 9 May 2002. The principal terms and conditions of the Restructuring Proposal are set out in the Company's annual report for the year ended 30 April 2001.

In light of the measure taken to date, together with the expected results from the Restructuring Proposal, it is considered that it is appropriate to prepare the unaudited consolidated results on a going concern basis. The unaudited consolidated results do not incorporate any adjustments for possible failure of the above Restructuring Proposal and the continuance of the Group as a going concern. Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these potential adjustments has not been reflected in the unaudited consolidated results.

## 2. Basis of preparation

In the current year, the Group has adopted for the first time, a number of new/revised Statements of Standard Accounting Practice ("SSAP"s) issued by the Hong Kong Society of Accountants. Adoption of these SSAPs has led to a number of changes in the Group's accounting policies. In addition, the new/revised SSAPs has resulted in the following changes to the Group's accounting policies that have affected the amounts and disclosures reported for the current or prior years.

### *SSAP 14 (Revised) "Leases"*

SSAP 14 (Revised) prescribes the basis for lessor and lessee accounting for operating leases, and the required disclosures in respect thereof. Certain amendments have been made to the previous accounting measurement treatments, which may be accounted for retrospectively or prospectively, in accordance with the requirements of the SSAP. The revised SSAP requirements have not had a material effect on the amounts previously recorded in the accounts, therefore no prior year adjustment is required.

### *SSAP 30 "Business combinations"*

Previously, goodwill arising on consolidation/acquisition of subsidiaries and jointly controlled entities is eliminated against reserves in the year of acquisition. In accordance with SSAP 30 which is effective for accounting period beginning on or after 1 January 2001, goodwill arising from acquisitions is capitalised and is amortised to the profit and loss account on a straight line basis over its estimated useful life not exceeding 20 years. Any impairment of the goodwill will be recognised as an expense in the profit and loss account.

The Group has taken advantage of the transitional provisions of SSAP 30 by not restating negative goodwill previously taken to reserves in which it arises. The directors consider that the negative goodwill totalling HK\$41,796,000 was quantified and recognised in prior periods will be credited to the profit and loss account at the time of disposal of the relevant jointly controlled entities by the Group.

### SSAP 31 "Impairment of assets"

SSAP 31 prescribes the procedures to be applied to ensure the assets are carried at not more than their recoverable amounts. The recoverable amount of an asset is defined to be the higher of its net selling price and its value in use. The Group determines the value in use of its assets as the present value of estimated future cash flows together with estimated disposal proceeds at the end of their useful life. The Group is required to assess at each balance sheet date whether there are any indications that assets may be impaired, and if there are such indication, the recoverable amounts of assets are to be determined. Any resulting impairment losses identified are charged to the profit and loss account.

The unaudited consolidated results of the Group for the year ended 30 April 2002 have not yet taken into account the following, for which adjustments to such results may be required:

- (i) No revaluation on an investment property held by a subsidiary has been made as at 30 April 2002;
- (ii) No valuation has been made in respect of certain other assets as at 30 April 2002;
- (iii) As detailed in the Company's annual report for the year ended 30 April 2001, a receiver and manager has been appointed to take over the management of three jointly controlled entities. Due to the uncertainty surrounding this receivership at this stage, no assessment has been made to quantify the financial effect to the Group which should be provided for;
- (iv) No updated financial information related to associates are made available for the preparation of the unaudited consolidated results. It is considered that no activities are carried out by those associates during the year and do not have a material effect on the unaudited consolidated results.

### 3. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to consolidated profit and loss account represents:

	<b>Unaudited 2002 HK\$'000</b>	Audited 2001 HK\$'000
Company and subsidiaries:		
Hong Kong profits tax		
– current year	<b>38</b>	117
– overprovision for prior years	–	(65)
Overseas taxation	<b>129</b>	(5)
	<b>167</b>	47
Associates:		
Hong Kong profits tax	–	6
	<b>167</b>	53

#### 4. Dividends

	<b>Unaudited</b>	Audited
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
Preference dividends		
Payable of HK\$0.30 (2001: HK\$0.30) per share on 2,549,990 (2001: 2,551,990) shares	<u><b>765</b></u>	<u>765</u>

#### 5. Loss per share

The basic loss per share is calculated based on the loss attributable to shareholders after preference dividends of HK\$175,600,000 (2001: loss of HK\$775,453,000) and the weighted average of 3,954,852,661 (2001: 2,421,706,199) ordinary shares in issue during the year.

The diluted loss per share is not shown as the potential shares arising from the conversion of the Company's convertible preference shares would decrease the loss per share of the Group for the years ended 30 April 2002 and 30 April 2001 and are regarded as anti-dilutive.

The delay in the publication of the 2002 Final Results constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Stock Exchange has reserved its rights to take appropriate action against the Company and/or its directors.

Each directors of the Company is aware of and will comply with Rule A3 of Appendix 10 of the Listing Rules. The directors of the Company have confirmed that they have not dealt in any of the securities of the Company one month before the date of this announcement. The directors of the Company have given their undertakings to the Stock Exchange that they will not deal in the securities of the Company until the 2002 Final Results are released and published.

Trading in the securities of the Company was suspended at the request of the Company with effect from 10:00 a.m. on 24 December 2001 and will remain suspended until further notice.

By Order of the Board  
**Tem Fat Hing Fung (Holdings) Limited**  
**Chan Fat Chu, Raymond**  
*Chairman*

By Order of the Board  
**Perfect View Development Limited**  
**Cheung Yu Shum, Jenkin**  
*Director*

Hong Kong, 2 September 2002

*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 Investor and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, the 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.*

*The Investor accepts full responsibility for the accuracy of the information contained in this announcement other than that relating to the Company and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, the opinions expressed in this announcement relating 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.