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TEM FAT HING FUNG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

DELAY IN PUBLICATION OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2003 AND ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 APRIL 2003

The board of directors of the Company announces that the board meeting, which was held on 27 August 2003, for approving the audited consolidated final results of the Group for the year ended 30 April 2003, was adjourned to a date to be determined by the directors of the Company which is on or before 19 September 2003. Therefore, the release and publication of the audited consolidated final results of the Group for the year ended 30 April 2003, which is required to be released on or before 31 August 2003 in accordance with paragraphs 8(1) and 11(1) of the Listing Agreement, will be postponed to on or before 19 September 2003 and 26 September 2003 respectively.

DELAY IN PUBLICATION OF FINAL RESULTS

The board of directors of Tem Fat Hing Fung (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) announces that more time is required to finalise the audited consolidated final results of the Group (“Audited Results”) for the year ended 30 April 2003, the board meeting, which was held on 27 August 2003, for approving the Audited Results, was adjourned to a date to be determined by the directors of the Company which is on or before 19 September 2003. The reason is the Company received on 26 August 2003 the notice from the auditors of the jointly controlled entities, Ahmad Abdullah & Goh, that more time is required to finalise the accounts of the jointly controlled entities. Therefore, the release and publication of the Audited Results will be postponed to on or before 19 September 2003 and the despatch of the annual report for the year ended 30 April 2003 (“Annual Report”) to the shareholders of the Company is expected to be on or before 26 September 2003. If there is any further delay to the above schedule, appropriate announcement will be made by the Company in this regard.

UNAUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 APRIL 2003

The unaudited consolidated results of the Group for the year ended 30 April 2003 are set out below. **Shareholders of the Company are advised to exercise caution in interpreting the unaudited consolidated results because such results may be difference from the audited consolidated final results.**

| | <i>Notes</i> | 2003 Unaudited HK\$'000 | 2002 Audited HK\$'000 |
|---|--------------|--|-----------------------------|
| TURNOVER | | 20,796 | 21,089 |
| COST OF SALES | | (21,899) | (21,454) |
| GROSS LOSS | | (1,103) | (365) |
| OTHER REVENUES | | 2,218 | 1,904 |
| GENERAL AND ADMINISTRATIVE EXPENSES | | (7,387) | (31,481) |
| OTHER OPERATING EXPENSES | | – | (4,450) |
| | | (6,272) | (34,392) |
| GAIN ON DECONSOLIDATION AND DISPOSAL OF SUBSIDIARIES | 1 | 132,780 | – |
| GAIN ON DEBT RESTRUCTURING | 2 | 664,419 | – |
| LOSS ON CHANGES IN FAIR VALUES OF SHORT TERM LISTED INVESTMENTS | | (22,838) | (62,705) |
| OPERATING PROFIT/(LOSS) FOR THE YEAR | | 768,089 | (97,097) |
| FINANCE COSTS | | (32,405) | (74,330) |
| | | 735,684 | (171,427) |
| SHARE OF PROFITS LESS LOSSES OF JOINTLY CONTROLLED ENTITIES | | (4,561) | (8,373) |
| PROFIT/(LOSS) BEFORE TAXATION | | 731,123 | (179,800) |
| TAXATION | 3 | (5) | (167) |
| PROFIT/(LOSS) AFTER TAXATION | | 731,118 | (179,967) |
| MINORITY INTERESTS | | – | 269 |
| PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS | | 731,118 | (179,698) |
| DIVIDENDS | 4 | (482) | (765) |
| PROFIT/(LOSS) FOR THE YEAR RETAINED | | 730,636 | (180,463) |
| | | HK cents | HK cents |
| Earnings/(loss) per share | | | |
| – Basic | 5 | 23.40 | (4.56) |
| – Diluted | 5 | 19.40 | – |

Notes:

1. GAIN ON DECONSOLIDATION AND DISPOSAL OF SUBSIDIARIES

| | 2003 Unaudited HK\$'000 | 2002 Audited HK\$'000 |
|---|--|-----------------------------|
| Gain on disposal of subsidiaries | 90,620 | – |
| Gain on deconsolidation of subsidiaries (note a) | 42,160 | – |
| | 132,780 | – |

Note a: The Company's directors are of the opinion that the investments in certain subsidiaries are held with a view of subsequent disposal in the near future after completion of restructuring and the Company is no longer in a position to provide any further finance to these companies. Accordingly, these subsidiaries are deconsolidated from the Group's accounts from 31 December 2002 resulting in a gain on deconsolidation of HK\$42,160,000.

2. GAIN ON DEBT RESTRUCTURING

| | 2003 Unaudited HK\$'000 | 2002 Audited HK\$'000 |
|--------------------------------|--|-----------------------------|
| Waiver of indebtedness | 676,062 | – |
| Restructuring and scheme costs | (11,643) | – |
| | 664,419 | – |

The waiver of short term loans, promissory notes and creditors of HK\$676,062,000 represented the indebtedness of the Company discharged and waived by the scheme creditors on the closing date under the Restructuring Agreement.

3. TAXATION

No provision for Hong Kong profits tax has been made in the accounts (2002: 16%), as the Group has no assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

| | 2003 Unaudited HK\$'000 | 2002 Audited HK\$'000 |
|---------------------------------|--|-----------------------------|
| Company and subsidiaries: | | |
| Hong Kong profits tax | | |
| – current year | – | 38 |
| – overprovision for prior years | (4) | – |
| Overseas taxation | 9 | 129 |
| | 5 | 167 |

4. DIVIDENDS

| | 2003 Unaudited <i>HK\$'000</i> | 2002 Audited <i>HK\$'000</i> |
|--|--|------------------------------------|
| Preference dividends | | |
| Payable of HK\$0.075 per share on 2,549,990 shares (2002: HK\$0.151 on 2,549,990 shares) | 191 | 385 |
| Payable of HK\$0.149 per share on 1,949,990 shares (2002: HK\$0.149 on 2,549,990 shares) | 291 | 380 |
| | <u>482</u> | <u>765</u> |

5. EARNINGS/(LOSS) PER SHARE

The basic earnings per share is calculated based on the profit attributable to shareholders after preference dividends of HK\$730,636,000 (2002: loss of HK\$180,463,000) and the weighted average of 3,122,671,825 (2002: 3,954,852,661 ordinary shares in issue) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the following data:

| | 2003 Unaudited <i>HK\$'000</i> |
|---|--|
| Earnings | |
| Net profit for the year retained | 730,636 |
| Saving on deemed conversion of: | |
| – preference shares | 482 |
| – convertible notes | 148 |
| | <u>731,266</u> |
| | <u>2003</u> <u>Unaudited</u> |
| Number of shares | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 3,122,671,825 |
| Effect of dilutive potential ordinary shares: | |
| – preference shares | 243,748,750 |
| – convertible notes | 400,000,000 |
| | <u>3,766,420,575</u> |

The diluted loss per share for the year ended 30 April 2002 has not been 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 that year and is regarded as anti-dilutive.

BREACH OF PARAGRAPHS 8(1) AND 11(1) OF THE LISTING AGREEMENT

The delay in publication of final results constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement, which require the Company to despatch the Annual Report to its shareholders and publish the Audited Results in the newspaper in respect of each financial year not later than four months after the end of the financial year to which the Company should release the final results for the year ended 30 April 2003 and despatch the annual report by 31 August 2003. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has stated it reserves its rights to take appropriate action against the Company and/or its directors.

Each director of the Company is aware of and will comply with Rule A3 of Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange. 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 Group's audited final results for the year ended 30 April 2003 are released and published.

By Order of the Board
Tem Fat Hing Fung (Holdings) Limited
Cheung Yu Shum, Jenkin
Chairman

Hong Kong, 27 August 2003

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