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## 田生集團有限公司

**RICHFIELD GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 183)**

**(1) SPECIAL DEAL, DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF  
AND SALE LOAN DUE BY VASTWOOD LIMITED  
INVOLVING OFF-MARKET BUY-BACK OF SHARES IN  
RICHFIELD GROUP HOLDINGS LIMITED;  
AND  
(2) APPLICATION FOR WHITEWASH WAIVER**

### **THE AGREEMENT**

The Board is pleased to announce that after the trading hours of the Stock Exchange on 11 December 2014, the Company entered into the Agreement with RHL and Mr. Au, pursuant to which (i) the Company conditionally agreed to sell and RHL conditionally agreed to purchase the Sale Share and the Sale Loan at the consideration of approximately HK\$269.2 million; and (ii) the Company conditionally agreed to repurchase and RHL conditionally agreed to sell 760,000,000 Repurchase Shares at the consideration of approximately HK\$269.2 million, which is equivalent to the consideration for the Disposal. The consideration for the Disposal and the Share Repurchase shall be set off against each other upon Completion. The Repurchase Price is approximately HK\$0.354 per Repurchase Share. The 760,000,000 Repurchase Shares represent approximately 21.85% of the issued share capital of the Company as at the date of this announcement and will be cancelled immediately after Completion.

The Sale Share represents the entire issued share capital of Vastwood whereas the Sale Loan represents the amount due from the Vastwood Group to the Remaining Group as at the date of Completion. Vastwood is a wholly-owned subsidiary of the Company. The Vastwood Group is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong. The Vastwood Group collaborates with major property developers in the implementation of property assembly schemes for old and run down buildings in urban districts for redevelopment.

### **IMPLICATIONS OF THE TAKEOVERS CODE AND THE SHARE BUY-BACKS CODE**

The Share Repurchase constitutes an off-market share buy-back under the Share Buy-backs Code which must be approved by the Executive. Such approval will normally be conditional upon approval of the Share Repurchase by at least three-fourths of the votes cast on a poll by disinterested Shareholders in attendance in person or by proxy at the EGM.

As at the date of this announcement, Virtue Partner is interested in 936,794,000 Shares, representing approximately 26.93% of the existing issued share capital of the Company, and Mr. Pong is interested in 352,176,000 Shares, representing approximately 10.13% of the existing issued share capital of the Company. The aggregate shareholding of Virtue Partner and parties acting in concert with it of 1,288,970,000 Shares represents approximately 37.06% of the issued share capital of the Company. Immediately after Completion, the shareholding interest of Virtue Partner in the Company will be increased to 34.46% and the aggregate shareholding interest of Virtue Partner and parties acting in concert with it (including Mr. Pong) in the Company will be increased to approximately 47.41%. Accordingly, under Rule 26 of the Takeovers Code, Virtue Partner would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares other than those already owned or agreed to be acquired by Virtue Partner and parties acting in concert with it. Virtue Partner would also be required under Rule 13 of the Takeovers Code to make comparable offers for all the share options of the Company not already owned or agreed to be acquired by Virtue Partner and parties acting in concert with it. In this regard, Virtue Partner will make an application to the Executive for the Whitewash Waiver which, if granted, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of poll. The granting of the Whitewash Waiver is a condition precedent for Completion.

In addition, since the Disposal is an arrangement made between the Company and RHL, a substantial Shareholder, which is not capable of being extended to all Shareholders, the Disposal constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive. Such consent, if granted, will be subject to (i) an independent financial adviser publicly stating that in its opinion the terms of the Disposal are fair and reasonable; and (ii) the approval of the Disposal by the Independent Shareholders by way of poll at the EGM.

## **IMPLICATIONS OF THE LISTING RULES**

As the applicable percentage ratios in respect of the Disposal and the Share Repurchase exceed 5% but are less than 25%, the Disposal and the Share Repurchase constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, since RHL is a substantial Shareholder, the Disposal and the Share Repurchase also constitutes a connected transaction of the Company and is subject to the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **GENERAL**

The voting in respect of the Disposal, the Share Repurchase and the Whitewash Waiver at the EGM will be conducted by way of a poll. As at the date of this announcement, RHL, Mr. Pong and Virtue Partner are interested in 760,000,000, 352,176,000 and 936,794,000 Shares, representing approximately 21.85%, 10.13% and 26.93% of the issued share capital of the Company respectively. RHL, Mr. Au, Virtue Partner, Mr. Pong, their respective associates and parties acting in concert with any of them and those who are involved in or interested in the Disposal, the Share Repurchase or the Whitewash Waiver shall abstain from voting on the resolutions approving the Disposal, the Share Repurchase and the Whitewash Waiver.

A circular containing, among other things, (i) details of the Disposal, the Share Repurchase and the Whitewash Waiver; (ii) the recommendation of the Listing Rules IBC to the Independent Shareholders in relation to the Disposal and the Share Repurchase; (iii) the recommendation of the Takeovers Code IBC to the Independent Shareholders in relation to the Disposal, the Share Repurchase and the Whitewash Waiver; (iv) the letter of advice from the independent financial adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in the same regard; (v) the valuation report on the properties held by the Group; (vi) the Required Financial Information; and (vii) the notice of EGM will be despatched to the Shareholders on or before 2 January 2015.

## **INTRODUCTION**

The Board is pleased to announce that after the trading hours of the Stock Exchange on 11 December 2014, the Company entered into the Agreement with RHL and Mr. Au, pursuant to which (i) the Company conditionally agreed to sell and RHL conditionally agreed to purchase the Sale Share and the Sale Loan at the consideration of approximately HK\$269.2 million; and (ii) the Company conditionally agreed to repurchase and RHL conditionally agreed to sell 760,000,000 Repurchase Shares at the consideration of approximately HK\$269.2 million, which is equivalent to the consideration for the Disposal. The consideration for the Disposal and the Share Repurchase shall be set off against each other upon Completion. The principal terms of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

11 December 2014

### **Parties**

- (i) The Company;
- (ii) RHL; and
- (iii) Mr. Au, as RHL's guarantor to guarantee the due and punctual performance of RHL's obligations under the Agreement.

RHL is incorporated in the Republic of Marshall Islands with limited liability and is wholly and beneficially owned by Mr. Au. The principal business activity of RHL is investment holding. As at the date of the Agreement, RHL is beneficially interested in 760,000,000 Shares, representing approximately 21.85% of the issued share capital of the Company. Accordingly, RHL is a substantial Shareholder and each of RHL and Mr. Au is a connected person of the Company.

### **Subject matter**

Pursuant to the Agreement, (i) the Company conditionally agreed to sell and RHL conditionally agreed to purchase the Sale Share and the Sale Loan; and (ii) the Company conditionally agreed to repurchase and RHL conditionally agreed to sell 760,000,000 Repurchase Shares. The Sale Share represents the entire issued share capital of Vastwood whereas the Sale Loan represents the amount due from the Vastwood Group to the Remaining Group as at the date of Completion. As at 30 June 2014, the Vastwood Group was indebted to the Remaining Group in the amount of approximately HK\$275.7 million. Further details of the Vastwood Group are set out in the section headed "Information on the Vastwood Group" below. The 760,000,000 Repurchase Shares represent approximately 21.85% of the issued share capital of the Company as at the date of this announcement.

### **Consideration for the Disposal**

The consideration for the Disposal is approximately HK\$269.2 million and will be settled by RHL by way of selling 760,000,000 Repurchase Shares to the Company at Completion. The consideration for the Disposal is equivalent to (i) the amount due from the Vastwood Group to the Remaining Group as at 30 June 2014; less (ii) the unaudited net liability value of the Vastwood Group as at 30 June 2014, and was determined after arm's length negotiation taking into account the nature of business of the Vastwood Group, the financial performance of the Vastwood Group during the past years and the market values of the properties held by the Vastwood Group as at 30 June 2014.

The consideration for the Share Repurchase is approximately HK\$269.2 million (which is equivalent to the consideration for the Disposal) and will be settled by the Company by way of selling the Sale Share and the Sale Loan to RHL at Completion. The consideration for the Disposal and the Share Repurchase shall be set off against each other at Completion.

### **The Repurchase Price**

The Repurchase Price is the quotient calculated by dividing the consideration for the Share Repurchase by the number of Repurchase Shares of 760,000,000 and is equivalent to approximately HK\$0.354 per Repurchase Share. The Repurchase Price was determined after arm's length negotiations between the parties to the Agreement with reference to (i) the prevailing market price of the Shares; and (ii) the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.436 per Share as at 30 June 2014.

The Repurchase Price of approximately HK\$0.354 per Repurchase Share represents:

- (i) a discount of approximately 10.4% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 11 December 2014 (the "**Last Trading Day**"), being the date of the Agreement;
- (ii) a discount of approximately 4.1% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$0.369 per Share;
- (iii) a discount of approximately 0.3% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.355 per Share;
- (iv) a premium of approximately 12.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.315 per Share;
- (v) a discount of approximately 18.8% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.436 per Share (based on the audited consolidated net assets attributable to the Shareholders of approximately HK\$1,518 million as at 30 June 2014 and 3,478,500,000 Shares in issue as at the date of this announcement); and
- (vi) a discount of approximately 14.7% to the audited consolidated net tangible asset value attributable to the Shareholders of approximately HK\$0.415 per Share (based on the audited consolidated net tangible assets attributable to the Shareholders of approximately HK\$1,445 million as at 30 June 2014 and 3,478,500,000 Shares in issue as at the date of this announcement).

## Conditions precedent

Completion is conditional upon the fulfillment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of the necessary resolutions, including (a) by at least 75% of the votes cast by all Independent Shareholders the ordinary resolution to approve the Agreement (including but not limited to the sale and purchase of the Sale Share and the Sale Loan, and the Share Repurchase); and (b) the ordinary resolution to approve the Whitewash Waiver, by way of poll in accordance with the requirements of the Share Buy-backs Code, the Takeovers Code, the Listing Rules and other applicable laws and regulations;
- (ii) the grant of the Whitewash Waiver by the Executive;
- (iii) the consent of the Executive in relation to the Agreement and the transactions contemplated thereunder as a “special deal” under Rule 25 of the Takeovers Code having been obtained and not having been revoked prior to Completion;
- (iv) if necessary, the approval by the Executive for the Share Repurchase to be made by the Company pursuant to the Agreement having been granted pursuant to Rule 2 of the Share Buy-backs Code and remaining in full force and effect and any condition(s) to which such approval is/are subject to having been satisfied in all respects;
- (v) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (vi) the Company having sufficient reserves to effect the Share Repurchase;
- (vii) the representations, undertakings and warranties provided by the Company under the Agreement remaining true and accurate in all respects; and
- (viii) the representations, undertakings and warranties provided by RHL under the Agreement remaining true and accurate in all respects.

The aforesaid conditions are incapable of being waived by the parties to the Agreement. If the aforesaid conditions have not been satisfied on or before 30 June 2015, or such other date as the Company and RHL may agree, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the Agreement save for any antecedent breaches of the terms thereof.

## **Completion**

Completion shall take place on the date falling on the fifth Business Day after the fulfillment of the conditions precedent (or such other date as the parties to the Agreement may mutually agree).

Upon Completion, Vastwood will cease to be a subsidiary of the Company and the results, assets and liabilities of the Vastwood Group will no longer be consolidated into the financial statements of the Group. RHL will cease to hold any Shares upon Completion.

Immediately after Completion, the Company shall cancel the Repurchase Shares and any rights attached thereto shall cease with effect from the date of Completion.

## **Change of name of the Company**

Subject to Completion, the Company has irrevocably undertaken under the Agreement to change its name to a new name that does not contain the words or expression “Richfield” or any other similar words or expressions or any colourable intimation thereof, such change to be effective as soon as practicable after Completion but in any event not later than six months after the date of Completion.

## **INFORMATION ON THE VASTWOOD GROUP**

Vastwood is an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company. The Vastwood Group is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong. The Vastwood Group collaborates with major property developers in the implementation of property assembly schemes for old and run down buildings in urban districts for redevelopment.

As at 30 June 2014, each of Vastwood and East Up was a direct wholly-owned subsidiary of the Company whereas Brilliant Icon was an indirect wholly-owned subsidiary of the Company. In order to facilitate the Disposal, the Group underwent a corporate reorganisation before the signing of the Agreement, as a result of which East Up has become a wholly-owned subsidiary of Vastwood and 49% interest in Brilliant Icon was transferred to the Vastwood Group. The remaining 51% interest in Brilliant Icon is held by the Remaining Group. The Vastwood Group (other than the East Up Group) is engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments; the East Up Group is engaged in property trading; and Brilliant Icon holds an investment property with a construction in progress of an rooftop advertisement signboard. The Vastwood Group is currently reviewing, monitoring and engaging in various property assembly projects which are mainly located in Hong Kong Island and Kowloon. The property projects located in Hong Kong Island are mainly in Sheung Wan, Causeway Bay, Western District, Quarry Bay and Aberdeen, etc. while those located in Kowloon are mainly in Mong Kok, Sham Shui Po, Tai Kok Tsui, Ho Man Tin, Kwun Tong, To Kwa Wan, Hung Hom and Kowloon City, etc.

Rules 14.58(6), 14.58(7) and 14.60(3)(a) of the Listing Rules respectively require the disclosure by the Company of (i) the asset value of and the net profits or losses of the Vastwood Group; and (ii) the gain or loss expected to accrue to the Group and the basis for calculating such gain or loss as a result of the Disposal (the “**Required Financial Information**”) in this announcement. In connection with these requirements, application has been made by the Company for waivers from inclusion of such information in this announcement. Such application has been made on the grounds that (i) the Required Financial Information are unaudited and unpublished figures (which is the only available information as at the date of this announcement) and, if disclosed in this announcement, will constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code which would need to be reported on by an auditor and financial adviser of the Company. It would be burdensome for the Company to withhold this announcement until such reports are available; (ii) the grant of the waiver would not result in undue risks to the Shareholders and be repugnant to the general principles under Rule 2.03 of the Listing Rules as the Disposal is still subject to the approval of the Independent Shareholders who will be properly informed of the Required Financial Information in the Circular and will have the benefit of perusing the advice from the Listing Rules IBC, the Takeovers Code IBC and the independent financial adviser before making their decision on how to cast their votes in the EGM; and (iii) the basis upon which the consideration for the Disposal was determined has been adequately disclosed in this announcement pursuant to Rule 14.58(5) of the Listing Rules.

The Required Financial Information, including the respective audited net asset/liability values, audited net profits or losses of the Vastwood Group, the East Up Group and Brilliant Icon, and the gain or loss expected to accrue to the Group as a result of the Disposal, will be contained in the Circular and announced by the Company contemporaneously when the Circular is despatched.

## **REASONS FOR THE DISPOSAL**

The Group is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property investment and trading and property development.

As disclosed in the annual reports of the Company for the years ended 30 June 2013 and 2014, the Hong Kong Government sustains its effort of raising flat supply through land sale program and other terms of land supply sources. Besides, since the Hong Kong government introduced various demand management measures (e.g. the introduction of Buyer’s Stamp Duty and the Special Stamp Duty, the increase in Ad Valorem Stamp Duty rates and the tightening of terms of mortgage lending) to curb property prices for both residential and non-residential properties, the transaction volume of properties slowed down notably. As a result, property owners and developers stayed on the sideline, awaiting for further changes and tendency of the market. Furthermore, the lowering of compulsory auction sales threshold of old building from ownership of not less than 90% to not less than 80% since 1 April 2010 also stimulated the growth of the overall acquisition price of old buildings by landlords and owners. The increment of land supply, the high acquisition price as well as the demand management measures introduced by the government affect the plans of developers, and in turn has seriously challenged the property assembly and brokerage business of the Group.



As disclosed in the annual reports of the Company, for each of the two years ended 30 June 2013 and 2014, turnover from the Group's property assembly and brokerage business declined by approximately 34.7% and approximately 37% from the preceding financial year respectively. The property assembly and brokerage business of the Group also recorded segmental losses of approximately HK\$189 million and HK\$191 million (including impairment loss on goodwill of approximately HK\$203 million and HK\$198 million) for each of the two years ended 30 June 2013 and 2014 respectively, as compared with an operating profit of approximately HK\$29 million in 2012. In view of the arduous business environment of the property assembly and brokerage business in Hong Kong, the Directors consider that the Disposal provides the Group with an exit opportunity to realise its investment in the property assembly and brokerage business the prospect of which is uncertain, and to focus on other businesses which can contribute better returns to the Group.

The business of the Vastwood Group was acquired by the Group in 2007 and the Repurchase Shares were issued to RHL upon conversion of the convertible bonds issued by the Company to settle part of the consideration for the acquisition. In light of this, the Directors consider it commercially reasonable to settle the consideration for the Disposal by way of the Company repurchasing and cancelling the Repurchase Shares.

Upon Completion, the Remaining Group will be principally engaged in property investment and trading and property development. Currently, the Remaining Group is not engaged in the provision of property brokerage services, and carrying out schemes for property consolidation and assembly, but it has an experienced management team with in-depth knowledge in providing property brokerage services and carrying out schemes for property consolidation and assembly, and it holds the necessary licenses to conduct such business activities. The Remaining Group is currently engaged in two property development projects in Hong Kong, i.e. 30% interest in the project located at Nos. 18-32 Junction Road, Kowloon and 51% interest in the project located at Nos. 142-154 Carpenter Road, Kowloon. The Remaining Group also owns shops at ground floor and mezzanine floor located at Kimberley Road, Tsim Sha Tsui and a roof top with advertising signage in North Point for lease.

Having considered the above, the Directors (excluding the non-executive Director and the independent non-executive Directors who will form their view after considering the advice from the independent financial adviser) are of the view that the terms of the Agreement are fair and reasonable, and the Disposal, the Share Repurchase and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after Completion (assuming that there is no change in the issued share capital of the Company since the date of the Agreement and up to the date of Completion):

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately after Completion</b>	
	<i>Number of Shares</i>	<i>approx. %</i>	<i>Number of Shares</i>	<i>approx. %</i>
Mr. Pong	352,176,000	10.13	352,176,000	12.95
Virtue Partner ( <i>Note 1</i> )	<u>936,794,000</u>	<u>26.93</u>	<u>936,794,000</u>	<u>34.46</u>
Subtotal	1,288,970,000	37.06	1,288,970,000	47.41
RHL ( <i>Note 2</i> )	760,000,000	21.85	–	–
Mr. Ngan Man Ho ( <i>Note 3</i> )	<u>248,000</u>	<u>0.01</u>	<u>248,000</u>	<u>0.01</u>
	2,049,218,000	58.92	1,289,218,000	47.42
Public Shareholders	<u>1,429,282,000</u>	<u>41.08</u>	<u>1,429,282,000</u>	<u>52.58</u>
<b>Total</b>	<b><u>3,478,500,000</u></b>	<b><u>100.00</u></b>	<b><u>2,718,500,000</u></b>	<b><u>100.00</u></b>

Notes:

1. Virtue Partner is a company wholly and beneficially owned by Mr. Pong.
2. RHL is a company wholly and beneficially owned by Mr. Au.
3. Mr. Ngan Man Ho is an executive Director.

As at the date hereof, other than the 3,478,500,000 Shares in issue, the Company also has outstanding share options granted under its share option scheme entitling the holders thereof to subscribe for a total of 58,400,000 Shares. The share options are held by:

<b>Option holders</b>	<b>Number of Shares entitled to subscribe for</b>
Mr. Pong	42,000,000
Mr. Au	8,400,000
The Directors	8,000,000

Save as disclosed above, as at the date of this announcement, (i) parties acting in concert with the Company do not own or have control or direction over the shareholding interests of the Company; (ii) none of the Company and parties acting in concert with it has received any irrevocable commitment to vote in favour of the resolutions approving the Share Repurchase at the EGM; (iii) parties acting in concert with the Company do not hold any convertible securities, warrants or options of the Company; and (iv) parties acting in concert with the Company do not hold any outstanding derivative in respect of securities of the Company.

Save as disclosed above, as at the date of this announcement, (i) Virtue Partner and parties acting in concert with it do not own or have control or direction over any other relevant securities of the Company; (ii) none of Virtue Partner and parties acting in concert with it has borrowed or lent any relevant securities of the Company; (iii) Virtue Partner and parties acting in concert with it do not hold any convertible securities, warrants or options of the Company; and (iv) Virtue Partner and parties acting in concert with it do not have any outstanding derivative in respect of securities of the Company.

As at the date of this announcement, (i) none of Virtue Partner and parties acting in concert with it has received any irrevocable commitment to vote in favour of the resolutions approving the Disposal or the Whitewash Waiver at the EGM; (ii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of Virtue Partner and parties acting in concert with it which might be material to the Disposal or the Whitewash Waiver; and (iii) there is no agreement or arrangement to which the Company and Virtue Partner and parties acting in concert with it is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Disposal or the Whitewash Waiver.

None of Virtue Partner and parties acting in concert with it has acquired any voting rights in the Company during the six-month period immediately prior to the date of the Agreement.

## **REGULATORY IMPLICATIONS**

### **Takeovers Code and Share Buy-backs Code**

The Share Repurchase constitutes an off-market share buy-back under the Share Buy-backs Code which must be approved by the Executive. Such approval will normally be conditional upon approval of the Share Repurchase by at least three-fourths of the votes cast on a poll by disinterested Shareholders in attendance in person or by proxy at the EGM.

As at the date of this announcement, Virtue Partner is interested in 936,794,000 Shares, representing approximately 26.93% of the existing issued share capital of the Company, and Mr. Pong is interested in 352,176,000 Shares, representing approximately 10.13% of the existing issued share capital of the Company. The aggregate shareholding of Virtue Partner and parties acting in concert with it of 1,288,970,000 Shares represents approximately 37.06% of the issued share capital of the Company. Immediately after Completion, the shareholding interest of Virtue Partner in the Company will be increased to 34.46% and the aggregate shareholding interest of Virtue Partner and parties acting in concert with it (including Mr. Pong) in the Company will be increased to approximately 47.41%.

Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code provide that where, as a result of share repurchase, a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, under Rule 26 of the Takeovers Code, Virtue Partner would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares other than those already owned or agreed to be acquired by Virtue Partner and parties acting in concert with it. Virtue Partner would also be required under Rule 13 of the Takeovers Code to make comparable offers for all the share options of the Company not already owned or agreed to be acquired by Virtue Partner and parties acting in concert with it. In this regard, Virtue Partner will make an application to the Executive for the Whitewash Waiver which, if granted, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of poll. The granting of the Whitewash Waiver is a condition precedent for Completion.

In addition, since the Disposal is an arrangement made between the Company and RHL, a substantial Shareholder, which is not capable of being extended to all Shareholders, the Disposal constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive. Such consent, if granted, will be subject to (i) an independent financial adviser publicly stating that in its opinion the terms of the Disposal are fair and reasonable; and (ii) the approval of the Disposal by the Independent Shareholders by way of poll at the EGM.

### **Listing Rules**

As the applicable percentage ratios in respect of the Disposal and the Share Repurchase exceed 5% but are less than 25%, the Disposal and the Share Repurchase constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, since RHL is a substantial Shareholder, the Disposal and the Share Repurchase also constitutes a connected transaction of the Company and is subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **GENERAL**

Optima Capital Limited has been appointed as the financial adviser to the Company in relation to the Disposal, the Share Repurchase and the Whitewash Waiver.

The Listing Rules IBC comprising Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk, being all the independent non-executive Directors, has been established to give a recommendation to the Independent Shareholders in respect of the Disposal and the Share Repurchase. Veda Capital Limited has been appointed by the Company with the approval of the Listing Rules IBC as the independent financial adviser to advise the Listing Rules IBC and the Independent Shareholders in this regard.

The Takeovers Code IBC comprising Mr. Lai Hin Wing, Henry, Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk, being all the non-executive Director and independent non-executive Directors, has been established to give a recommendation to the Independent Shareholders in respect of the Disposal, the Share Repurchase and the Whitewash Waiver. Veda Capital Limited has been appointed by the Company with the approval of the Takeovers Code IBC as the independent financial adviser to advise the Takeovers Code IBC and the Independent Shareholders in this regard.

The voting in respect of the Disposal, the Share Repurchase and the Whitewash Waiver at the EGM will be conducted by way of a poll. As at the date of this announcement, RHL, Mr. Pong and Virtue Partner are interested in 760,000,000, 352,176,000 and 936,794,000 Shares, representing approximately 21.85%, 10.13% and 26.93% of the issued share capital of the Company respectively. RHL, Mr. Au, Virtue Partner, Mr. Pong, their respective associates and parties acting in concert with any of them and those who are involved in or interested in the Disposal, the Share Repurchase and/or the Whitewash Waiver shall abstain from voting on the resolutions approving the Disposal, the Share Repurchase and the Whitewash Waiver.

A circular containing, among other things, (i) details of the Disposal, the Share Repurchase and the Whitewash Waiver; (ii) the recommendation of the Listing Rules IBC to the Independent Shareholders in relation to the Disposal and the Share Repurchase; (iii) the recommendation of the Takeovers Code IBC to the Independent Shareholders in relation to the Disposal, the Share Repurchase and the Whitewash Waiver; (iv) the letter of advice from the independent financial adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in the same regard; (v) the valuation report on the properties held by the Group; (vi) the Required Financial Information; and (vii) the notice of EGM will be despatched to the Shareholders on or before 2 January 2015.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Agreement”	the conditional sale and purchase agreement dated 11 December 2014 and entered into among the Company, RHL and Mr. Au in relation to the Disposal and the Share Repurchase
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Brilliant Icon”	Brilliant Icon Limited, a company incorporated in the BVI with limited liability
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business during their normal business hours
“BVI”	the British Virgin Islands

“Company”	Richfield Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal and the Share Repurchase pursuant to the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share and the Sale Loan by the Company to RHL pursuant to the Agreement
“East Up”	East Up Limited, a company incorporated in the BVI with limited liability
“East Up Group”	East Up and its subsidiaries
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Disposal, the Share Repurchase and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong from time to time and any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than RHL, Mr. Au, Virtue Partner, Mr. Pong, their respective associates and parties acting in concert with any of them and other Shareholders who are interested or involved in the Disposal, the Share Repurchase and/or the Whitewash Waiver
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	the independent committee of the Board, comprising Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk, being all the independent non-executive Directors, established to give a recommendation to the Independent Shareholders in respect of the Disposal and the Share Repurchase

“Mr. Au”	Mr. Au Wing Wah, the sole beneficial shareholder of RHL
“Mr. Pong”	Mr. Pong Wai San, Wilson, a substantial Shareholder
“relevant securities”	has the meaning ascribed to it under the Takeovers Code
“Remaining Group”	the Group excluding the Vastwood Group immediately after Completion
“Repurchase Price”	the price of approximately HK\$0.354 for each Repurchase Share for the Share Repurchase calculated by dividing the consideration for the Share Repurchase by the number of Repurchase Shares of 760,000,000
“Repurchase Shares”	760,000,000 Shares held by RHL to be repurchased by the Company under the Agreement
“RHL”	Richfield (Holdings) Limited, a company incorporated in the Republic of Marshall Islands with limited liability and a substantial Shareholder
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Vastwood Group to the Remaining Group on or at any time prior to Completion, whether actual, contingent or deferred and irrespective whether the same is due and payable on Completion
“Sale Share”	one issued share of US\$1.00 in the capital of Vastwood, representing the entire issued share capital of Vastwood
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Buy-backs Code”	The Hong Kong Code on Share Buy-backs
“Share Repurchase”	the repurchase by the Company of the Repurchase Shares pursuant to the Agreement
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Takeovers Code IBC”	the independent committee of the Board, comprising Mr. Lai Hin Wing, Henry, Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk, being all the non-executive Director and independent non-executive Directors, established to give a recommendation to the Independent Shareholders in respect of the Disposal, the Share Repurchase and the Whitewash Waiver
“Vastwood”	Vastwood Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company as at the date of the Agreement
“Vastwood Group”	Vastwood and its subsidiaries at Completion
“Virtue Partner”	Virtue Partner Group Limited, a substantial Shareholder and a company wholly owned by Mr. Pong
“Whitewash Waiver”	the whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of Virtue Partner to make a general offer for all the issued Shares not already owned (or agreed to be acquired) by Virtue Partner and parties acting in concert with it which might otherwise arise as a result of the Share Repurchase
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

By the order of the Board  
**Richfield Group Holdings Limited**  
**Lee Wing Yin**  
*Executive Director*

Hong Kong, 11 December 2014

*As at the date of this announcement, the executive Directors are Mr. Lee Wing Yin and Mr. Ngan Man Ho; the non-executive Director is Mr. Lai Hin Wing, Henry; and the independent non-executive Directors are Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk respectively.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, 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.*