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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) DESPATCH OF CIRCULAR IN RELATION TO
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
APPLICATION FOR WHITEWASH WAIVER;
AND
(2) THE REQUIRED FINANCIAL INFORMATION OF
THE VASTWOOD GROUP**

Reference is made to the announcements of Richfield Group Holdings Limited (the “Company”) dated 11 December 2014 and 2 January 2015 (the “Announcements”) respectively in relation to, among other things, the Disposal, the Share Repurchase and the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context otherwise requires.

DESPATCH OF CIRCULAR

The circular (the “Circular”) containing, among other things, (i) details of the Disposal, the Share Repurchase and the Whitewash Waiver; (ii) the letter of advice from the Listing Rules IBC to the Independent Shareholders in relation to the Disposal and the Share Repurchase; (iii) the letter of advice from 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 financial information of the Group; and (vii) the notice of EGM has been despatched to the Shareholders on 12 January 2015.

THE REQUIRED FINANCIAL INFORMATION OF VASTWOOD GROUP

As mentioned in the Announcements, the Company has applied to the Stock Exchange for waiver from inclusion of the Required Financial Information in the Announcements and the Stock Exchange has granted such waiver to the Company. The Required Financial Information has been included in the Circular as follows:

Financial information of the Vastwood Group (excluding the East Up Group), the East Up Group and Brilliant Icon

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 “Reorganisation”). 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.

Since the Reorganisation was completed subsequent to 30 June 2014, the audited consolidated financial information of Vastwood as at 30 June 2014 which prepared according to the Hong Kong Financial Reporting Standards included only the financial information of Vastwood and its subsidiaries existed as at 30 June 2014. For illustrative purpose, the audited financial information of the Vastwood Group (excluding the East Up Group), the East Up Group and Brilliant Icon are set out as follows:

	For the year ended 30 June	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) before tax		
The Vastwood Group (excluding the East Up Group)	(190,585)	(191,414)
The East Up Group	8,004	(8)
Brilliant Icon (49% interest)	88	(847)
	<u>(182,493)</u>	<u>(192,269)</u>

	For the year ended 30 June	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) after tax		
The Vastwood Group (excluding the East Up Group)	(194,098)	(193,013)
The East Up Group	7,407	28
Brilliant Icon (49% interest)	88	847
	<u>(186,603)</u>	<u>(193,832)</u>
		As at
		30 June 2014
		<i>HK\$'000</i>
Net asset/(liability) value		
The Vastwood Group (excluding the East Up Group)		(51,871)
The East Up Group		45,349
Brilliant Icon (49% interest)		<u>(559)</u>
		<u>(7,081)</u>

Financial effects of the Disposal and the Share Repurchase

As a result of the Disposal, the Company will effectively dispose of 100% interest in the Vastwood Group (including 100% interest in the East Up Group) and 49% interest in Brilliant Icon. The remaining 51% interest in Brilliant Icon will still be held by the Group immediately after Completion (the “Remaining Group”) and the Company will continue to have control over Brilliant Icon. As such, the difference between the amount by which the 49% non-controlling interests of Brilliant Icon are adjusted and the fair value of the consideration received is recognised directly in the Group’s equity.

As illustrated in the unaudited pro forma statement of net asset of the Remaining Group set out in Appendix II to the Circular, it is expected that the Group will record a loss of approximately HK\$107.1 million on the Disposal after the estimated transaction costs, which is calculated with reference to the fair value of consideration of approximately HK\$165.7 million (which is the market value of the 760,000,000 Repurchase Shares of HK\$0.218 per Share as at 30 June 2014) less (i) the audited net liability value of the Vastwood Group (excluding the East Up Group) as at 30 June 2014 of approximately HK\$51.9 million and the audited net asset value of the East Up Group as at 30 June 2014 of approximately HK\$45.3 million; (ii) the amount due from the Vastwood Group (excluding the East Up Group) and the East Up Group to the Remaining Group as at 30 June 2014 of approximately HK\$275.7 million; and (iii) the estimated transaction costs of approximately HK\$3.7 million relating to the Disposal, as if the Disposal and the Share Repurchase had been completed on 30 June 2014.

The unaudited pro forma loss calculated above is prepared by the Directors for illustrative purposes only. Shareholders should note that the actual amount of gain or loss from the Disposal will be determined based on the closing price of the Shares, the net asset/liability value of the Vastwood Group and the actual amount of the Sale Loan as at Completion, and the actual transaction costs relating to the Disposal, and may be different from the expected loss as calculated above.

Based on the allocation mechanism for the consideration illustrated in the unaudited pro forma statement of net asset of the Remaining Group set out in Appendix II to the Circular, nil consideration is allocated to Brilliant Icon. The disposal of 49% interest in Brilliant Icon is expected to result in a credit of approximately HK\$0.6 million to the equity attributable to the Shareholders and a debit of approximately HK\$0.6 million to non-controlling interest under equity directly.

As a result of the Disposal and the Share Repurchase, the net asset value of the Group, attributable to the Shareholders will be decreased by approximately HK\$272.8 million, from approximately HK\$1,518.4 million as at 30 June 2014 (which is extracted from the Group's audited financial statements for the year ended 30 June 2014) to approximately HK\$1,245.6 million, and the net asset value attributable to the Shareholders will be improved by approximately HK\$0.022 per Share, from approximately HK\$0.436 per Share as at 30 June 2014 to approximately HK\$0.458 per Share, as if the Disposal and the Share Repurchase had been completed on 30 June 2014.

By order of the Board
Richfield Group Holdings Limited
Ngan Man Ho
Executive Director

Hong Kong, 12 January 2015

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.