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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)

MAJOR TRANSACTION: DISPOSAL OF 49% EQUITY INTERESTS IN A WHOLLY OWNED SUBSIDIARY

THE PROVISIONAL AGREEMENT

On 17 January 2014, the Seller, a wholly owned subsidiary of the Company, has entered into the Provisional Agreement with the Purchaser, an Independent Third Party, in relation to the Disposal of the Sale Shares and the Sale Debt for a consideration of HK\$225,400,000 (subject to adjustments).

LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. In lieu of holding a general meeting to approve the Disposal, written approvals on the Disposal have been obtained from two (2) Shareholders holding in aggregate more than 50% of the issued share capital of the Company. The Company will not hold a general meeting to approve the Disposal.

A circular containing, among others, details of the Disposal, will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules.

The Board announces that on 17 January 2014, the Seller, a wholly owned subsidiary of the Company, has entered into the Provisional Agreement with the Purchaser, an Independent Third Party, in relation to the Disposal of the Sale Shares and the Sale Debt for a consideration of HK\$225,400,000 (subject to adjustments).

THE PROVISIONAL AGREEMENT

Date: 17 January 2014 (after trading hours)

Parties: (1) World Fair Global Limited, a wholly-owned subsidiary of the Company (as the Seller)

(2) Profit Vision Investment Limited (as the Purchaser)

The Seller is a company incorporated in the British Virgin Islands with limited liabilities and is principally engaged in investment holdings.

To the best knowledge and information of the Directors, the Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be disposed

Pursuant to the Provisional Agreement, the Seller shall dispose of the Sale Shares, i.e. 49 ordinary share of US\$1.00 each in the Target Company representing 49% equity interests of the Target Company, and the Sale Debt, i.e. 49% of the entire loan due and payable by the Target Company to the Seller upon Completion.

As at 31 December 2013, based on the unaudited financial statements of the Target Group, the Company owes a sum of approximately HK\$216,031,000 to the Seller.

Consideration

The consideration payable for the sale and purchase of the Sale Shares and the Sale Debt shall be HK\$225,400,000 (the "**Purchase Price**") to be adjusted by net current asset value (which shall be defined as the difference of current assets and current liabilities, excluding any deferred tax liabilities) of the Target Group as shown in the completion accounts.

The Purchase Price shall be paid by the Purchaser to the Seller in the following manner:

- (a) an initial deposit of HK\$11,270,000 equivalent to five percent (5%) of the Purchase Price shall be paid to the Seller (or such other person authorized by the Seller in writing) upon signing of this Provisional Agreement;
- (b) a further deposit of HK\$11,270,000 equivalent to five percent (5%) of the Purchase Price shall be paid to the Seller (or such other person authorized by the Seller in writing) on or before the earlier of the date falling on the expiry of 14 days from the date of the Provisional Agreement or the date of signing the Formal Agreement; and
- (c) balance of the Purchase Price shall be paid to the Seller on the Completion Date.

Without prejudice to the Seller's right to seek for specific performance, the initial deposit will be forfeited by the Seller as liquidated damages (and not as penalty) in the event that the Purchaser fails to pay the further deposit.

Without prejudice to the Seller's right to seek for specific performance, the initial deposit and the further deposit will be forfeited by the Seller as liquidated damages (and not as penalty) in the event that the Purchaser (other than due to the Seller's default) fails to complete the purchase in accordance with the terms and conditions of the Provisional Agreement and/or the Formal Agreement.

Based on the aggregate book value of the Property (being approximately HK\$435,901,000 as at 30 June 2013 in accordance with the accounts of the Group), it is expected that the Company will realise a gain from the Disposal of approximately HK\$11,809,000 in total (without taking into account the agency fees and other professional fees to be incurred) being the difference between the Purchase Price and the book value of the Property as at 30 June 2013.

To the best of the Directors' knowledge, information and belief, the consideration for the Disposal was determined after arms' length negotiations with reference to among others, the book value of the Property as at 30 June 2013 and the offer price of the market in recent months. The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Condition

The sale and purchase of the Sale Shares and the Sale Debt are subject to and conditional upon all necessary consent and approval by the Shareholders as required under the Listing Rules.

Due Diligence

The Purchaser will be entitled to carry out due diligence investigation of the Sale Shares, the Sale Debt, the Property, the Target Group and shall finish the due diligence investigation within 20 business days from the date of the Provisional Agreement.

Formal Agreement

The Seller and the Purchaser shall use its reasonable endeavours to enter into the Formal Agreement within 20 business days from the date of the Provisional Agreement, failing which, the terms and conditions hereunder shall continue to be valid and binding.

The Formal Agreement shall:

- (a) reflect the terms of the Provisional Agreement;
- (b) contain the usual or customary terms and conditions for the sale of 49% of the entire issued share capital of a company whose sole asset of material value is the right, title, benefit and interest of a real property in Hong Kong; and

- (c) contain a form of Shareholders' Agreement to be entered into by the Seller and the Purchaser on the Completion Date.

Completion

Completion of the sale and purchase of the Sale Shares and the assignment of the Sale Debt by the Seller to the Purchaser shall take place on the business day falling on the expiry of 2 months from the date of the Provisional Agreement or such other date to be agreed by the parties (the "**Completion Date**").

The Existing Encumbrances

As at the date of the Provisional Agreement, the Sale Shares, the Sale Debts and the Target Group are subject to certain encumbrances (the "**Existing Encumbrances**") which are securities given under certain loan facilities (the "**Loan Facilities**") granted by certain banks (the "**Lender**"). The Seller may, after the signing of the Provisional Agreement, liaise with the Lender to either restructure the Loan Facilities or repay all outstanding loan under the Loan Facilities and arrange for the release or discharge of the Existing Encumbrances. The Purchaser agrees that, if required by the Lender, the Purchaser or its parent entities shall provide such additional guarantee or securities pro-rata and severally to its shareholdings in the Target Company provided that the same sets of guarantee and securities shall be provided by the Seller or its associated entities. For the avoidance of doubt, the Purchase Price payable by the Purchaser is computed on the basis that all outstanding indebtedness due by the Target Group under the Loan Facilities is repaid in full and that the Existing Encumbrances will be discharged and/or released upon Completion.

Shareholders' Agreement

Upon Completion, the Seller and the Purchaser shall enter into a shareholders' agreement (the "**Shareholders' Agreement**") in relation to the Target Company. Such Shareholders' Agreement which shall contain, among others, the following major terms:

- (a) the sole business of the Target Company shall be that of an investment holding company which holds all the issued shares in each subsidiary of the Target Group;
- (b) the sole business of each subsidiary of the Target Group shall be holding the Property and implementing the project of refurbishment of the Property and the sale or leasing of the Property or any part thereof (the "**Project**");
- (c) all funding requirements of the Target Group shall be met initially by external borrowings. If the funds raised by the Target Group by way of external borrowings shall not be insufficient, the Seller and the Purchaser shall provide and extend to the Target Group shareholders' loans in proportion to their respective shareholdings in the Target Company;

- (d) the number of directors of the Target Company and each subsidiary of the Target Group shall not be more than 4, among which, each of the Seller and the Purchaser shall be entitled to appoint up to 2 directors. The chairman of the board of directors of the Target Company and each subsidiary thereunder shall be a director nominated by the Seller who shall have a casting vote. A director may only be removed by the shareholder who nominated him; and
- (e) each of the Seller and the Purchaser grants to each other a right of first offer with respect of the shares or equity interest held by the Seller or the Purchaser (as the case may be). Details of such right of first offer shall be set out in the Shareholders' Agreement.

USE OF PROCEEDS AND EXPECTED FINANCIAL EFFECTS OF THE DISPOSAL

The Board estimates that the net proceeds from the Disposal (after deduction of relevant costs and expenses) will amount to approximately HK\$221,600,000. It is intended that the net proceeds from the Disposal will be applied towards the repayment of the bank loan due by the Target Group and the general working capital of the Group.

Based on the audited accounts of the Group as at 30 June 2013 and the aforesaid estimated net proceeds from the Disposal, it is expected that the Group will record a gain of approximately HK\$8,009,000 attributable to the Disposal for the financial year during which the Disposal is completed and a corresponding increase in the net assets of the Group. In any event, the Board does not envisage that the Disposal will create any significant adverse impact on the Group's financial position.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holdings.

As at the date of this announcement, the Target Company is an indirect wholly owned subsidiary of the Company.

According to the unaudited consolidated financial statements of the Target Group, the turnover, net profit before taxation and net profit after taxation for the financial year ended 30 June 2012 was approximately HK\$619,000, HK\$311,000 and HK\$231,000 respectively. According to the unaudited consolidated financial statements of the Target Group, the turnover, net loss before taxation and net loss after taxation for the financial year ended 30 June 2013 was approximately HK\$68,000, HK\$(257,000) and HK\$(257,000) respectively. The unaudited total assets of the Target Group as at 30 June 2013 was approximately HK\$446,569,000 and the unaudited net assets of the Target Group was approximately HK\$212,333,000.

The Target Company, through its subsidiaries, holds the Property located in Nos. 142, 144, 146, 148, 150, 152 and 154 Carpenter Road, Kowloon, Hong Kong.

The Target Company will continue to be a 51% owned subsidiary of the Group after Completion of the Disposal.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of property brokerage services, provision of schemes for property consolidation, assembly and development and property trading in Hong Kong.

In light of the gain from the Disposal, the Board considers that the Disposal represents a good opportunity for realisation of the Group's investment in the Property whilst allows the Group to maintain its interests in the redevelopment Project of the Property. Further, the proceeds from the Disposal can reduce the overall gearing of the Group and can further strengthen the cash position of the Group and will allow the Group to reallocate its resources for future development.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Provisional Agreement and the Disposal constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal and no Shareholders are required to abstain from voting if the Company is to convene a general meeting to approve the Disposal.

In lieu of holding a general meeting to approve the Disposal, written approvals on the Disposal have been obtained from Mr. Pong and Richfield (Holdings), who are interested in an aggregate of 2,048,970,000 Shares, representing approximately 58.90% of the issued share capital of the Company pursuant to Rule 14.44 of the Listing Rules. The Company will not hold a general meeting to approve the Disposal and the transactions contemplated thereunder.

A circular containing, among others, details of the Disposal, will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement.

DEFINITIONS

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

“Board”	the board of Directors
“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 Stock Exchange

“Completion”	completion of the Disposal in accordance with the terms of the Provisional Agreement or the Formal Agreement, as the case maybe
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Debt pursuant to the terms of the Provisional Agreement or the Formal Agreement, as the case maybe
“Formal Agreement”	the formal agreement to be entered into between the Seller and the Purchaser in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pong”	Mr. Pong Wai San, Wilson, who is interested in 1,288,970,000 Shares of the Company, representing approximately 37.05% of the total issued share capital of the Company
“PRC”	the People’s Republic of China
“Property”	the property situated at Nos. 142, 144, 146, 148, 150 and 152 of Carpenter Road, Kowloon City, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 17 January 2014 and entered into between the Seller and the Purchaser in relation to the Disposal
“Purchaser”	Profit Vision Investments Limited, a company incorporated in Hong Kong with limited liability
“Richfield (Holdings)”	Richfield (Holdings) Limited, a company incorporated in the Marshall Islands and the holder of 760,000,000 Shares of the Company, representing approximately 21.85% of the total issued share capital of the Company

“Sale Debt”	49% of the entire loan due and payable by the Target Company to the Seller upon Completion
“Sale Shares”	49 ordinary shares of US\$1.00 each in the share capital of the Target Company
“Seller”	World Fair Global Limited, a company incorporated in the British Virgin Islands with limited liabilities and a wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Plan Link Limited, a company incorporated in the British Virgin Islands with limited liabilities
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 17 January 2014

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