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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Richfield Group Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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**

This circular will be published and available on the websites of the Company and the Stock Exchange.

20 March 2014

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“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 may be
“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 may be
“Formal Agreement”	the formal agreement dated 4 March 2014 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)
“Latest Practicable Date”	14 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“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
“Project”	the redevelopment project involving the Property
“Property”	the property situated at Nos. 142, 144, 146, 148, 150 and 152 of Carpenter Road, Kowloon, 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 liability and a wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Company”	Plan Link Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



田生集團有限公司

RICHFIELD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

Executive Directors:

Mr. Lee Wing Yin (*Chief Executive Officer*)

Mr. Ngan Man Ho

Non-executive Director:

Mr. Lai Hin Wing, Henry

Independent non-executive Directors:

Mr. Koo Fook Sun, Louis

Ms. Yeung Wing Yan, Wendy

Mr. Lung Hung Cheuk

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

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*Head office and principal place of
business in Hong Kong:*

Unit 1209, 12/F.

Silvercord Tower 2

30 Canton Road

Tsim Sha Tsui

Kowloon

Hong Kong

20 March 2014

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcement of the Company dated 17 January 2014 in relation to, among the entering into of the Provisional Agreement in relation to the Disposal of the Sale Shares and the Sale Debt. Reference is also made to the announcement of the Company dated 4 March 2014 in relation to the entering into of the Formal Agreement in relation to the Disposal.

The Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding the Disposal, the Provisional Agreement and the Formal Agreement in accordance with the Listing Rules.

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 Investments Limited (as the Purchaser)

The Seller is a company incorporated in the British Virgin Islands with limited liability 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 shares 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 the 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 has been paid to the Seller (or such other person authorized by the Seller in writing) upon signing of the Provisional Agreement, i.e. 17 January 2014;

LETTER FROM THE BOARD

- (b) a further deposit of HK\$11,270,000 equivalent to five percent (5%) of the Purchase Price has been 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.

The further deposit of HK\$11,270,000 has been paid on 30 January 2014 in accordance with the terms of the Provisional Agreement.

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 net asset value of the Group (being approximately HK\$443,697,000 as at 31 December 2013 in accordance with the accounts of the Group) and taking into accounts of the transaction costs including the agency fee, legal and professional fee and other printing and miscellaneous costs and after the proforma adjustment in accordance with the term of the Provisional Agreement and Formal Agreement, it is expected that the Company will realise a gain from the Disposal of approximately HK\$3,600,000. As shown in the property valuation report in Appendix II to this circular, the value of the Property as at 17 January 2014 is approximately HK\$450,000,000.

To the best of the Directors' knowledge, information and belief, the consideration for the Disposal was determined after arms' length negotiations with reference to the financial position of the Target Group, the book value of the Property as at 30 June 2013 of approximately HK\$435,901,000 and the offer price of the market in recent months. While there were certain interested purchasers approaching the Company in recent months, those offer prices were not better than the current Purchaser Price. 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.

LETTER FROM THE BOARD

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 and 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.

As disclosed in the announcement of the Company dated 4 March 2014, on 4 March 2014, after arm's length negotiations, the Seller and the Purchaser entered into the Formal Agreement in respect of the Disposal. The material terms of the Formal Agreement are in substance consistent with the material terms of the Provisional Agreement.

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**"). Completion has taken place on 17 March 2014 in accordance with the terms of the Formal Agreement.

The Existing Encumbrances

As at the date of the Provisional Agreement, the Sale Shares, the Sale Debt 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 Loan Facilities involves the bank loan facilities of up to HK\$234,000,000 granted by Shanghai Commercial Bank Limited and The Hong Kong Branch of The Shanghai Commercial & Savings Bank, Ltd. as Lenders in favour of the Target Group (The bank loan facilities granted by those banks are HK\$157,591,836.73 and HK\$76,408,163.27 respectively). The securities given under the Loan Facilities include share charges over the shares of the Target Group companies, cross guarantees among the Target Group companies, corporate guarantees of the Target Company and the Company and also mortgage and debenture over assets of the Target Group companies. 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

LETTER FROM THE BOARD

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 Company and/or its subsidiaries 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 and renovation, 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 Company and/or its subsidiaries 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;
- (e) 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;
- (f) a director of the Target Company and each subsidiary may only be removed by the shareholder who nominated him; and
- (g) 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.

FORMAL AGREEMENT

On 4 March 2014, after arm's length negotiations, the Seller and the Purchaser entered into the Formal Agreement in respect of the Disposal. The material terms of the Formal Agreement are in substance consistent with the material terms of the Provisional Agreement as disclosed above.

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Pursuant to the Formal Agreement, the Purchase Price payable by the Purchaser to the Seller is HK\$225,400,000 to be adjusted by the Net Current Asset of the Target Group as shown in the completion accounts as at 17 March 2014 (the “**Completion Accounts**”). Subject to Completion taking place, the Seller shall prepare or cause to be prepared the Completion Accounts and shall calculate the final price as adjusted upward by the Net Current Asset (if the Net Current Asset is a positive figure) or downward by the Net Current Asset (if the Net Current Asset is a negative figure) based on the Completion Accounts (“**Final Price**”) as soon as reasonably practicable after Completion. The Seller shall deliver the Completion Accounts and the Final Price to the Purchaser within forty-five (45) days after the Completion Date. For the purpose of adjustments under the Formal Agreement, “**Net Current Asset**” shall mean 49% of the difference between (a) the consolidated amount of current assets of the Target Group companies as shown in the Completion Accounts, and (b) the consolidated amount of current liabilities of the Target Group companies as at Completion as shown in the Completion Accounts (excluding the properties under development, the Sale Debt and any deferred tax liabilities).

There are no maximum or minimum amount set for the Purchase Price but based on the financial statements of the Target Group, it is unlikely that there will be any significant adjustment which will cause any change in the classification of the transaction under Chapter 14 of the Listing Rules. In the event that there will be any change in classification as a result of such adjustment, the Company will comply with the Listing Rules.

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\$221,000,000. The net proceeds from the Disposal have been applied towards the repayment of the entire bank loan due by the Target Group upon Completion. The balance of the bank loan has been settled by the Group with its internal resources. As mentioned above, the Purchase Price payable by the Purchaser is determined on the basis that all outstanding indebtedness due by the Target Company and/or its subsidiaries under the Loan Facilities is repaid in full.

Based on the unaudited accounts of the Group as at 31 December 2013 and the aforesaid estimated net proceeds from the Disposal and taking into accounts of the transaction costs including the agency fee, legal and professional fee and other printing and miscellaneous costs and after the proforma adjustment in accordance with the terms of the Provisional Agreement and Formal Agreement, it is expected that the Group will record a gain of approximately HK\$3,600,000 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 the Provisional Agreement, the Target Company is an indirect wholly owned subsidiary of the Company.

LETTER FROM THE BOARD

According to the unaudited consolidated financial statements of the Target Group, the revenue and other income, 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 revenue and other income, 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\$450,726,000 and the unaudited net assets of the Target Group was approximately HK\$216,489,000 (before taking into account the amount due to Seller and the Company of HK\$215,911,000). According to the unaudited consolidated financial statements of the Target Group, the revenue and other income, net loss before taxation and net loss after taxation for the six months ended 31 December 2013 was approximately HK\$6,000, HK\$(586,000) and HK\$(586,000) respectively. The unaudited total assets of the Target Group as at 31 December 2013 was approximately HK\$450,815,000 and the unaudited net assets of the Target Group was approximately HK\$216,024,000 (before taking into account the Sale Debt of HK\$216,031,000).

The Target Company, through its subsidiaries, holds the Property located at Nos. 142, 144, 146, 148, 150, 152 and 154 Carpenter Road, Kowloon, Hong Kong. As at the Latest Practicable Date, the Group has submitted the building plan to the Building Department of the Government and the plan is currently in the course of pending approval from the relevant authorities.

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 allowing 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 constitutes 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

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Board considers that the terms of the Disposal and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
RICHFIELD GROUP HOLDINGS LIMITED
Lee Wing Yin
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013 can be found in the annual reports of the Company for each of the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013 respectively, all of which have been published on the HKExnews website at www.hkexnews.hk

2. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The residential property market remained quiet in the second half year of 2013. The total number of sale and purchase agreements for residential property dropped sharply by approximately 47% from a year earlier. Since the Government introduced different stages of demand management measures to curb property prices for both residential and non-residential properties in October 2012 and February 2013, the trading activities slowed down obviously and the first few months of 2014. Yet supplies of residential properties were limited, property owners and developers stayed on the sideline and awaiting for further changes of the market.

Although the Government lowered the compulsory auction sales threshold of old building from 90% to 80% since 1 April 2010, it also stimulated the growth of the overall acquisition price of old buildings by landlords and owners. Overall flat prices have surpassed the 1997 peak. It became a new kind of worthwhile investment by purchasing old tenement buildings for redevelopment in these years. The high acquisition price as well as the Government's demand management measures affects the plans of developers, in which seriously challenging the property assembly and brokerage business of the Group.

The property market was unstable during the year of 2013 and would be continue to be sluggish in the year of 2014. Even though the Government increases the supply of land in 2013, the supply of land in urban areas still remained scarce and property assembly for redevelopment continues to be one of the main sources of land supply to the developers in the light of the scarce supply of land in Hong Kong. The Group has not changed its long-standing core business and continued to reach the requirement of owners of the old buildings and actively provide possible assistance as appropriate. The Group will focus on the property assembly projects in various prime locations around the metro area. The Group will regularly review and manage the project mix to maintain and maximize the profitability and at the same time looking for appropriate opportunity to reallocate its resources. The property assembly and brokerage business will continue to attribute a considerable and stable income to the Group, while bringing the best return to its shareholders.

In order to diversify the business scope, the Group has been engaging in property developments so as to broaden the revenue base which benefit the Company and the shareholders as a whole in the long run. The Group has been exploring the business opportunities both locally and internationally.

Since the demand and needs of urban residential property of Hong Kong was growing continuously, the Group is still optimistic in the local property assembly and property development business. The Group would monitor the market situation closely while dedicated to develop strategically in the property assembly, brokerage and development business for driving considerable growth of the Group.

The Group has been committed to conducting the property assembly business since 2007. Apart from seeking business opportunities, the Group has also expanded its endeavours of improving the environment of the urban old districts as well as the quality of life among the neighbourhoods over the years.

3. INDEBTEDNESS

(a) Borrowings

At the close of business on 31 January 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group had total borrowings of approximately HK\$373,369,000 comprising bank borrowings of approximately HK\$371,353,000 and finance lease liabilities of approximately HK\$2,016,000.

(b) Securities and guarantees

As at 31 January 2014, the Group's borrowings were secured by guarantees by Mr. Au Wing Wah, a substantial shareholder of the Company (solely for the bank borrowings of approximately HK\$45,070,000), and the pledge of certain properties under property, plant and equipment, investment properties and properties under development with net carrying amounts of approximately HK\$99,299,000, HK\$190,000,000 and HK\$442,186,000 respectively.

(c) Contingent liabilities

(i) As at 31 January 2014, the Company has executed guarantee amounting to HK\$144,000,000 with respect of bank loans to its associates, which is also secured against properties under development held by those associates. Under the guarantee, the Company would be liable to pay the bank if the bank is unable to recover the loans.

(ii) *Litigations*

(A) It relates to labour dispute made against the Group. This claim concerned the former employee of the Group who made claim on account of alleged bonuses due in relation to the property assembly projects undertaken by the Group during his course of employment. The Labour Tribunal judged that the Group is liable to pay HK\$4,100,000 to the former employee. Accordingly, the provision for legal claim of approximately HK\$4,100,000 has been provided for the year ended 30 June 2013. The Group appealed

against the decision to the High Court. As at the date of this Circular, the litigation is still in progress.

- (B) In September 2013, there was a litigation relating to the property agency dispute made against the Group and the purchaser. In that action, the plaintiff, being the registered owner of a flat in an old building, sought to obtain, amongst other things, an order from the court to rescind a provisional agreement for sale and purchase under which the plaintiff agreed to sell her property to the purchaser at the consideration and on the terms and conditions stated therein. A global settlement agreement has subsequently been reached by the parties in February 2014 and the parties are seeking the approval of the High Court to allow them to wholly discontinue their respective claims/counterclaims therein with no order as to costs. As at the date of this Circular, the litigation is still in progress.

(d) Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 January 2014.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 January 2014, up to and including in the Latest Practicable Date.

For the purpose of the above statement of indebtedness, foreign currency accounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing at the close of business on 31 January 2014.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the present bank and other facilities, the Group will have sufficient working capital for at least twelve months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group as at 30 June 2013, the date to which the latest published audited financial statements of the Group were made up.



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20 March 2014

The Directors
Richfield Group Holdings Limited
Unit 1209, 12th Floor
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui
Kowloon

Dear Sirs

**RE: 142, 144, 146, 148, 150, 152 AND 154 CARPENTER ROAD, KOWLOON CITY,
KOWLOON**

In accordance with your instructions for us to value the captioned property held by a wholly owned subsidiary of Richfield Group Holdings Limited (“the Company”) for investment, we confirm that we have carried out inspection, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property in its existing state as at 17 January 2014 for public circular purposes.

Our valuation is our opinion of the market value of the property concerned which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

We are independent of Richfield Group Holdings Limited and our valuation is prepared in accordance with “The HKIS Valuation Standards (2012 Edition)” published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Our valuation on market value basis is made by reference to sales evidence as available on the market and where appropriate on the basis of capitalization of the net rental income shown on schedules handed to us. We have allowed for outgoings and in appropriate cases made provisions for reversionary income potential.

We have not been provided with any title documents relating to the property but we have caused searches to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy status, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents and leases provided to us and are therefore only approximations.

We have inspected the exterior of the property valued and, where possible, we have also inspected the interior of the premises. Our inspection was undertaken by Mr. Victor Chow, MHKIS, on 10 February 2014. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free from rot, infestation or any other structural defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Charles C K Chan
MSc FRICS FHKIS MCI Arb RPS(GP)
Managing Director

Enc

Note: Mr Charles C K Chan, Chartered Estate Surveyor, has been a qualified valuer since 1987 and has about 29 years’ experience in valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 17 January 2014
142, 144, 146, 148, 150, 152 and 154 Carpenter Road, Kowloon City, Kowloon	The property comprises seven 5-storey tenement buildings (each erected on a lot) erected on a rectangular site with a total registered site area of approximately 9,122.5 sq ft (847.5 sq m). The buildings were completed in 1953.	Except the Ground Floor of 144 Carpenter Road and the Ground Floor of 148 Carpenter Road which are let at a total monthly rent of HK\$42,000 under their respective tenancies with the last expiry in November 2016, all the units of the property are vacant in possession.	HK\$450,000,000
New Kowloon Inland Lot Nos. 3715 ^{Note(2)} , 3956, 3957 & 3958 and Sections A, E and F of New Kowloon Inland Lot No. 3715	Except the Ground Floor of 142 Carpenter Road, each building comprises a domestic unit on each of the Ground Floor to 4th Floor. An alteration and addition plan for the change of use of the Ground Floor of 142 Carpenter Road from domestic use to shop use was approved by the Government on 23 January 1961.		
	The total saleable area (exclusive of lavatories at yard, yard and flat roof) of the property is 34,355 sq ft (3,191.70 sq m).		
	Sections A, E and F of New Kowloon Inland Lot No. 3715 are held under Conditions of Exchange No. UB4754 for a term of 75 years from 1 July 1898 renewed for a further term of 24 years less the last three days thereof and was extended to 30 June 2047 without premium but each at a revised annual Government rent of 3% of the rateable value for the time being of the lot.		
	New Kowloon Inland Lot Nos. 3715, 3956, 3957 and 3958 are each held under a Government Lease for a term of 75 years from 1 July 1898 renewed for a further term of 24 years less the last three days thereof and was extended to 30 June 2047 without premium but at a revised annual Government rent of 3% of the rateable value for the time being of the lot.		

Notes:

- (1) According to our recent land search and the information provided by the Company, the Property is held by subsidiaries of a wholly owned subsidiary of the Company. Details of the ownership of the property are tabulated below:

The Property	Registered Owner
G/F of 142 Carpenter Road	Wofeng Holding Limited (the Company has 100% attributable interest)
1/F-4/F of 142 Carpenter Road	High Bond Limited (the Company has 100% attributable interest)
144, 146, 148, 150 and 152 Carpenter Road	High Bond Limited (the Company has 100% attributable interest)
154 Carpenter Road	Macro Win Limited (the Company has 100% attributable interest)

- (2) 150 Carpenter Road is held under a Government Lease of New Kowloon Inland Lot No. 3715. It is noted that a lot with the same lot number held under Conditions of Exchange No. 4754 was subdivided into various sections, namely Sections A, E and F for 142, 146 and 148 Carpenter Road respectively. Though the lot for 150 Carpenter Road and the lot for 142, 146 and 148 Carpenter Road have the same lot number, they are actually two different lots. It is believed that there was a clerical mistake when the Government Lease dated 15 August 1968 in respect of 150 Carpenter Road was prepared since New Kowloon Inland Lot No. 3715 had already been granted on 26 March 1952 pursuant to Conditions of Exchange No. 4754. We are of opinion that such clerical mistake does not affect the value of the property.
- (3) The property is subject to various mortgages in favour of Shanghai Commercial Bank Limited.
- (4) According to the recent land search record of the property, various building orders or notices issued under Buildings Ordinance by the Building Authority have been registered against the property in the Land Registry. In our valuation, we have allowed for the cost of outstanding remedial works in conforming to these registered building orders or notices.
- (5) The property lies within an area zoned "Residential (Group A) 2" under Ma Tau Kok Outline Zoning Plan.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Director had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) or which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code:

(i) Long positions in the Shares and the underlying shares

Name of Director	Number of Shares		Approximate percentage of shareholding
	Personal interest	Total	
Lee Wing Yin ("Mr. Lee")	1,000,000	1,000,000 <i>(Note)</i>	0.03%
Ngan Man Ho ("Mr. Ngan")	248,000 1,000,000	248,000 1,000,000 <i>(Note)</i>	0.01% 0.03%
Lai Hin Wing, Henry ("Mr. Lai")	1,000,000	1,000,000 <i>(Note)</i>	0.03%
Koo Fook Sun, Louis ("Mr. Koo")	1,000,000	1,000,000 <i>(Note)</i>	0.03%
Lung Hung Cheuk ("Mr. Lung")	1,000,000	1,000,000 <i>(Note)</i>	0.03%
Yeung Wing Yan, Wendy ("Ms. Yeung")	1,000,000	1,000,000 <i>(Note)</i>	0.03%

Note: These shares represent the share options granted by the Company under the New Scheme on 26 October 2012.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Capacity in which shares are held	Number of shares	Approximate percentage of shareholding
Pong Wai San, Wilson ("Mr. Pong")	Beneficial owner	371,576,000 (Note 1)	10.68%
	Interested in controlled corporation	936,794,000 (Note 1)	26.93%
Tung Ching Yee, Helena (Note 2)	Family interest	1,308,370,000	37.61%
Virtue Partner Group Limited	Beneficial owner	936,794,000	26.93%
Au Wing Wah ("Mr. Au")	Beneficial owner	8,400,000 (Note 3)	0.24%
	Interested in controlled corporation	760,000,000 (Note 4)	21.85%
Kong Pik Fan (Note 5)	Family interest	768,400,000	22.09%
Richfield (Holdings) Limited	Beneficial owner	760,000,000 (Note 4)	21.85%

Notes:

1. 936,794,000 shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong is deemed to be interested in these shares under the SFO. 371,576,000 shares are personally owned by Mr. Pong, of which 8,400,000 shares represent the share options granted to him by the Company under the Old Scheme on 9 July 2010 and 11,000,000 shares represent the share options granted to him by the Company under the New Scheme on 26 October 2012.
2. Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.
3. These 8,400,000 shares are share options granted by the Company to Mr. Au under the New Scheme on 26 October 2012.
4. These 760,000,000 shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO.
5. Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, Mr. Koo, Ms. Yeung and Mr. Lung, the independent non-executive Directors, have signed a letter of appointment with the Company for a term of one year, of which Mr. Koo's and Mr. Lung's terms are commencing from 23 March 2013 and expiring on 22 March 2014, while Ms. Yeung's term is commencing from 12 December 2013 and expiring on 11 December 2014.

Mr. Lai, the non-executive Director, has signed a letter of appointment with the Company for a term of one year commencing from 12 December 2013 and expiring on 11 December 2014.

Mr. Lee, the executive Director, has entered into a service agreement with the Company for a term of 36 months commencing from 1 June 2013, or terminated by not less than three months' notice in writing served by either party at any time thereafter. Mr. Lee is entitled to a director's emolument of HK\$68,000 per month plus discretionary bonus to be decided by the Board at its sole discretion, which is determined by reference to the prevailing market conditions and his roles, experience and responsibilities in the Company.

Mr. Ngan has entered into a service agreement with the Company for an initial term of 36 months commencing from 12 December 2011, or terminated by not less than three months' notice in writing served by either party at any time thereafter. Mr. Ngan is entitled to a director's emolument of HK\$62,000 per month plus discretionary bonus to be decided by the Board at its sole discretion, which is determined by reference to the prevailing market conditions and his roles, experience and responsibilities in the Company.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

5. LITIGATION

As at the Latest Practicable Date, there were two litigation claims against the Group. One of the litigation relates to labour dispute made against the Group. This claim concerned the former employees of the Group who made claim on account of alleged bonuses due in relation to the property assembly projects undertaken by the Group during their course of employment. The Labour Tribunal judged that the Group is liable to pay HK\$4,100,000 to the former employee. The Group appealed against the decision to the High Court. As at the Latest Practicable Date, the litigation is still in progress.

In September 2013, there was a litigation relating to the property agency dispute made against the Group and the purchaser. In that action, the Plaintiff, being the registered owner of a flat in an old building, sought to obtain, amongst other things, an order from the court to rescind a provisional agreement for sale and purchase under which the Plaintiff agreed to sell her property to the purchaser at the consideration and on the terms and conditions stated therein. A global settlement agreement has subsequently been reached by the parties in February 2014 and the parties are seeking the approval of the High Court to allow them to wholly discontinue their respective claims/counterclaims therein with no order as to costs. As at the Latest Practicable Date, the litigation is still in progress.

6. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors nor experts referred to in paragraph 8 below has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 30 June 2013, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the Provisional Agreement; and
- (b) the Formal Agreement.

8. EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Savills Valuation and Professional Services Limited	Independent Professional Valuer

As at the Latest Practicable Date, Savills Valuation and Professional Services Limited (“Savills”) did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, Savills was not interested beneficially or non-beneficially in any Shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Savills has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its respective letter and/or report and/or reference to its name in the form and context in which it respectively appears.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is Unit 1209, 12/F., Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Tengis Limited located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (with effect from 31 March 2014, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong).
- (d) The company secretary of the Company is Mr. Lee Wing Yin, who is an associate member of the HKICPA and a fellow member of The Association of Chartered Certified Accountants and also an executive Director of the Company.
- (e) The compliance officer of the Company is Mr. Lee Wing Yin.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 1209, 12/F., Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours on any business day from the date of this circular up to and including 30 April 2014:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 30 June 2013 and the interim report of the Company for the six months ended 31 December 2013;
- (c) the written consent from Savills referred to under the paragraph headed "Expert" in this appendix;
- (d) the property valuation report on the Property as set out in Appendix II of this circular;
- (e) the material contracts referred to under the paragraph "Material contracts" in this appendix;
- (f) the Directors' service contracts referred to under the paragraph "Directors' Service Contracts" in this appendix; and
- (g) this circular.